Senqu Municipality Annual Report

Abantu Abanye, Umasipalati Omnye, Uhambo Olunye

One People, One Municipality, One Destination

Batho Ba Bongwee, Masepalaamong, Leeto Leling

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GLOSSARY AND APPENDIXES



SENQU MUNICIPALITY ANNUAL REPORT 2015/2016

GLOSSARY

Accessibility Indicators	Explore whether the intended beneficiaries are able to access services or outputs
Accountability documents	Documents used by executive authorities to give "*full and regular*" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "*what we do*".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within those particular areas. If not provided it may endanger the public health and safety or the environment
Budget year	The financial year for which an annual budget is to be approved –

	means a year ending on 30 June
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs
Distribution indicators	The distribution of capacity to delivery services.

GLOSSARY CONT.

Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key Performance Indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally
Impact	The results of achieving specific outcomes, such as reducing poverty and reducing jobs
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans
National Key Performance Areas	• Service delivery & Infrastructure • Economic development • Municipal transformation and institutional development • Financial viability & management • Good governance & community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should

	relate clearly to an institution’ s strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

GLOSSARY CONT.

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic terms for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timelines, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time

	factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality' s delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indictors must also be included.
Vote	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines "vote" as a) One of the main segments into which a budget of the municipality is divided for the appropriation of money for the different departments or functional areas of the municipality, and b) That which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

APPENDIX A

COUNCILLORS, COMMITTEES A& COUNCIL ATTENDANCE					
COUNCIL MEMBERS	FULL TIME/ PART TIME	COMMITTEES ALLOCATED	*WARD AND/OR PARTY REPRESENTED	% COUNCIL MEETINGS ATTENDANCE	% APOLOGIES FOR NON-ATTENDANCE
				%	%
N.Y Mtyali – Mayor	Full Time	EXCO	Party Representative	50%	50%
M.W. Mpelwane	Part Time	Technical Services & EXCO	Party Representative	**75%**	25%
A.P. Kwinana	Part Time	MPAC	Party Representative	25%	75%
S.S Tindleni	Part Time	Technical Services	Party Representative	0%	No Apology
G.N. Mbonyana	Part Time	Community Services& EXCO	Party Representative	75%	25%
JOB Constable	Part Time	BTO & EXCO	Party Representative	100 %	100%
N.R. Nthako	Part Time	Corporate Services	Party Representative	100%	100%
I.Mosisidi	Part Time	Community Services	Party Representative	50%	50%
G.S. Mvunyiswa	Part Time	Technical Services	Party Representative	75%	25%
M.A. Mshasha	Part Time	MPAC	Party Representative	100%	
I.M. Elia	Part Time	MPAC	Party Representative	75%	25%
M.A. Mangali	Part Time	MPAC	Party Representative	100%	
A.H. Sobhuza	Part Time	Community Services	Party Representative	50%	50%
B.S. Majodina	Part Time	BTO	Ward Councillor – Ward 1	75%	No Apology
P.G. Key	Part Time	Technical Services	Ward Councillor – Ward 2	25%	75%
N. Nombula	Part Time	Development & Planning Services	Ward Councillor – Ward 3	50%	25%

N.M. Kwinana	Part Time	EXCO & Corporate Services	Ward Councillor – Ward 4	50%	No Apology
J. Lamani	Part Time	Community Services	Ward Councillor – Ward 5	100%	
N.C Mraji	Part Time	Development & Planning Services	Ward Councillor – Ward 6	100%	
M. Gojo	Part Time	BTO	Ward Councillor – Ward 7	100%	
M.G. Moeletsi	Part Time	Community Services	Ward Councillor – Ward 8	50%	25%
P.A. April	Part Time	Development & Planning Services	Ward Councillor – Ward 9	50%	25%
S. Mfisa	Part Time	BTO	Ward Councillor – Ward 10	25%	75%
M.N. Ngendane	Part Time	Community Services	Ward Councillor – Ward 11	75%	25%
M.P. Bingwa	Part Time	Development & Planning Services	Ward Councillor – Ward 12	75%	No Apology
L.M. Tokwe	Part Time	Development & Planning Services	Ward Councillor – Ward 13	25%	No Apology
M.J. Mjali	Part Time	Development & Planning Services	Ward Councillor – Ward 14	75%	25%

APPENDIX A (CONT.)

COUNCILLORS, COMMITTEES A& COUNCIL ATTENDANCE					
COUNCIL MEMBERS	**FULL TIME/ PART TIME**	**COMMITTEES ALLOCATED**	***WARD AND/OR PARTY REPRESENTED**	**% COUNCIL MEETINGS ATTENDANCE**	**% APOLOGIES FOR NON-ATTENDANCE**
S.S. Ndzongana	Part Time	MPAC	Ward Councillor – Ward 15	100%	
M. Mafilika	Part Time	Development & Planning Services & EXCO	Ward Councillor – Ward 16	75%	No Apology

P.N August - Speaker	Full Time	Speaker	Ward Councillor – Ward 17	75%	25%
B. Ngogodo	Part Time	Technical Services	Ward Councillor – Ward 18	0%	25%
N.C. Motemekwana	Part Time	Corporate Services	Ward Councillor – Ward 19	100%	
R.M Joubert	Part Time	Corporate Services	Party Representative DA	100%	
I.H. Van Der Walt	Part Time	BTO	Party Representative DA	75%	Deceased
S. Mziki	Part Time	MPAC	Party Representative PAC	0%	50%
M.J. Sereba	Part Time	EXCO & Corporate Services	Party Representatives PAC	50%	50%
M. Senoamali	Part Time	Development & Planning Services	Party Representative UDM	25%	75%
Y.N. Monakali	Part time	BTO	Party Representative DA	25%	(Replacement of the Deceased Councillor)

APPENDIX B

COMMITTEES & COMMITTEE PURPOSES

Committees (other than Mayoral /Executive Committee) and Purpose of Committees	
Municipal Committees	**Purpose of Committee**
Audit committee	Administrative Oversight
Municipal public accounts committee	Oversight
Remuneration committee	Remuneration Issues
Local Labour Forum	Labour Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance
Mandate Committee	To carry out and discuss all the mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the Strategic issues of the Council
Ethics Committee	To carry out and discuss all the ethical issues of the Council
Corporate & Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.

Budget & Treasury Committee	To discuss, recommend and dealing with council related business.
Development and Planning Committee	To discuss, recommend and dealing with council related business.
Occupation Health & Safety Committee	To carry out and discuss all the OHS issues of the Council
Employment Equity Committee	To carry out and discuss all the EE issues of the Council

APPENDIX C

THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
Directorate	**Director/Manager (state title and name)**
Financial Services	Chief Financial Officer: Mr C Venter
Technical Services	Director: Mr R Crozier
Development and Planning Services	Director: Ms P L Bushula
Community Services	Director: Ms C L N Gologolo
Corporate Services	Director: Mr T E Wonga

APPENDIX D

FUNCTIONS OF MUNICIPALITY/ ENTITY

MUNICIPAL / ENTITY FUNCTIONS		
Municipal Functions	**Function Applicable to Municipality Yes/No**	**Function applicable to Entity Yes/No**
Constitution Schedule 4, Part B functions		
Air Pollution	No	N/A
Building Regulations	Yes	N/A
Child care facilities	No	N/A
Electricity and gas reticulation	Yes	N/A
Firefighting services	No	N/A
Local tourism	Yes	N/A
Municipal airports	No	N/A
Municipal Planning	Yes	N/A
Municipal Health Services	No	N/A
Municipal Public Transport	No	N/A
Municipal Public Works only in respect of the needs of municipalities to administer functions specifically assigned to them under this Constitution or any other law	Yes	N/A
Pontoons, ferries , jetties, piers & harbours, excluding the regulation of international & national shipping & matters related thereto	No	N/A
Storm water management systems in built-up areas	Yes	N/A
Trading regulations	Yes	N/A

Water and sanitation services limited to potable water supply systems and domestics waste water and sewage disposal systems	Yes	N/A
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public area	Yes	N/A

APPENDIX D (CONT.)

MUNICIPAL / ENTITY FUNCTIONS		
Municipal Functions	**Function Applicable to Municipality Yes/No**	**Function applicable to Entity Yes/No**
Constitution Schedule 4, Part B functions		
Cemeteries, funeral parlours and crematoria	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	Yes	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	Yes	N/A
Licencing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	Yes	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	Yes	N/A

Municipal roads	Yes	N/A
Noise pollution	No	N/A
Pounds	Yes	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic & Parking	Yes	N/A

APPENDIX E

WARD REPORTING

PUBLIC MEETINGS						
Name and purpose of meeting	**Date of meeting**	**Number of participating councillors /ward members**	**No. of participating Municipal officials / Administrators**	**Number of Community attending**	**Issues addressed (Yes /no)**	**Dates and manner of feedback given to the community**
Mayoral Outreach (Public Consultation)	14/04/2016 18/04/2016 19/04/2016 20/04/2016	7 Participants 6 Participants 6 Participants 5 Participants	5 Participation 4 Officials 8 Officials 8 Official	298 211 305 106	Yes Yes Yes Yes	- - - --
Local Round Table	02/09/2015 05/11/2015 21/01/2016 28/06/2016	13 Participants 7 Participants 21 Participants 5 Participants	4 Officials 5 Officials 3 Officials 3 Officials	94 52 58 33	Yes Yes Yes Yes	- -
Public Participation Forum	17/09/2015 09/12/2015 30/05/2016 22 /03/ 2016	13 participants 6 Participants 6 Participants 8 Participants	3 Officials 3 Officials 4 Officials 10 Officials	56 43 56 140	Yes Yes Yes Yes	- - - - -

Ward Committee meeting	Monthly (for all 19 wards meetings sit on different dates.	All Ward Councillors and Ward Committees	3 Officials	0	Yes	-

APPENDIX F

WARD INFORMATION

PROJECTS APPROVED AND IN PROGRESS			R' 000
National Project	**Project name**	**Expenditure**	**Balance**
MIG/EC5053/C/10/15	Senqu Cemeteries III: Barkly East, Sterkspruit, Herschel & other	413	Complete
EC2015024	Mlamli Cemetery	1 035	Complete
EC2015023	Qhoboshane Cemetery	871	Complete
EC2015022	Musong Cemetery	1 254	Complete
R/EC/11692/15/18	Construction of Paved Roads in Wards 11: Herschel	83	Complete
R/EC/11691/15/18	Construction of Paved Roads in Wards 10: Tienbank	38	Complete
EC2012145	Construction of Access Roads in Ward 18 - Esilindini	270	Complete
MIG/EC 4060	Construction of Access Roads in Ward 17 - Sunduza & Joveleni	315	Complete
MIG/EC 5053	Construction of Access Roads in Wards 3: Erka, Qhoboshane, Hohobeng & Other	1 596	Complete
EC2013282	Construction of Access Roads in Wards 4: Boomplaas, Mkunyazo	2 532	Complete
EC2013283	Paving of Lady Grey Streets & Storm water control	9 200	Complete
EC2013285	Renovation of the Sport Facilities in Barkly East	1 269	Complete
	Construction of Sportsfields in Ward 2 - Upgrading of Sportsfield in Kwa -	457	5 300

	Gcina		
	Construction of Sportfields in Ward 13 - Upgrading of Sportsfields in Naledi	457	5 300
MIG/EC0432/S/06/07	Construction of new Solid Waste Site in Sterkspruit - Ward 10	145	2 591

WARD INFORMATION (CONT.)

PROJECTS APPROVED AND IN PROGRESS (Cont.)			R' 000
National Project Reference No.	**Project name**	**Expenditure 2014/2015**	**Balance Available on MIG Approval**
MIG/EC1689/SW/09/10	Construction of Herschel Solid Waste Site - Ward 11	114	3 181
MIG/EC1691/SW/09/10	Construction of Rhodes Solid Waste Site - Ward 16	112	1 139
MIG/EC1692/SW/09/10	Construction of Rossouw Solid Waste Site - Ward 15	112	1 139
EC2014146	Construction of new Community Hall in Ward 9	2 204	1 769
EC2014147	Construction of new Community Hall in Ward 12	2 761	complete
EC2014148	Construction of new Community Hall in Ward 18	2 379	complete

EC2015264	Barkly East Street lights	1 288	575
EC2013284	Construction of culvert motor-way in Ward 3 - Hohobeng	648	complete
EC2013285	Construction of pedestrian bridge in Ward 4 - Boomplaas	2 802	complete
ST/Ec/10956/15/19	Planning Project for EIA applications for Cemetery, Landfill sites & Bridges	-	1 432
EC201581	Planning Project for EIA application for Pedestrian Bridge in Ward 5 - Bebeza	44	272
EC2015104	Construction of Hawker Stalls in Ward 10 - Sterkspruit	34	1 829
EC2015261	Construction of Lady Grey Animal Pound	-	1 800
	Project Management Unit (PMU) 2015 / 16	1 863	-
		33 262	26 327

APPENDIX G

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2015/2016

Date of the meeting	Recommendations	Adopted (enter Yes) if not, provide explanation
13 Jun 2016	The Municipal Manager's department should develop a formal business process which must be accepted by management in order to ensure that the user departments submit accurate and complete supporting evidence within the set deadline to the assessing department for quarterly performance reporting so that there is no recurrence of findings.	In progress.
20 Jul 2015	An independent assurance provider should be appointed in order to provide assurance on the risk register so that the next internal audit plan should be based on the audited risk register.	Yes
20 Jul 2015	In-house deadlines must be set prior to the legislated deadline and all sections who did not comply should be escalated to various management levels as an indication that there was certain information which should have been included in the reporting but was not submitted within the set deadline in order to avoid non-submission of information for the quarterly performance assessment.	No, the related internal audit findings were still noted.
20 Jul 2015	The chief financial officer (CFO) should develop a smart and clear process for the recording of receipts in the accounting records to ensure that reconciliations for different methods of payment are accurate.	Yes
20 Jul 2015	Management should put strict control measures as vehicles could be abused and the internal audit should do a follow up on the fleet management report.	Yes
20 Jul 2015	The chief audit executive (CAE) should meet with the	Yes

	CFO to discuss the worrying issues relating to electronic fund transfers.	
31 Aug 2015	The Manager: Governance & Compliance should respond through the email to all issues raised by the audit committee on the internal audit report on the review of the 2015/2016 SDBIP.	Yes

/Cont.…

Date of the meeting	Recommendations	Adopted (enter Yes) if not, provide explanation
23 Nov 2015	(a) The internal audit should deal with managers when executing their duty and raising findings. (b) The directors should provide comments upon receipt of the internal audit reports within three working days and where no comments are received by the internal audit, it will serve as a confirmation that the director also agrees to the contents of the report. (c) The responsible manager should revisit the management responses in the internal audit report on customer care, provide relevant evidence to the internal audit and the revised internal audit report should be presented at the next audit committee meeting.	Yes In progress Yes
23 Nov 2015	The AGSA should provide the audit committee with the Management & Audit Reports by Wednesday, 25 Nov 2015 so that the committee will submit their comments by the close of business on Friday, 27 Nov 2015.	Yes
23 Nov 2015	The Municipal Manager should assist with the capacity in the internal audit unit for both internal staff and co-sourcing of the services.	In progress
23 Nov 2015	The draft policy on ward committees should be submitted to the internal audit unit for review before approval by the council.	Yes
14 Mar 2016	(a) The internal audit report on annual leave should be referred back so that management can provide a clear action plan and implementation dates by 24 Mar 2016 on how they will ensure that the findings do not recur. (b) The internal audit unit should meet with the responsible manager and director on 16 Mar 2016 to assist in drafting a clear annual leave action plan.	Yes Yes

14 Mar 2016	The Director: DTPS should ensure that the fraud prevention plan is reviewed so as to identify gaps and submit the plan to the council for approval.	In progress
14 Mar 2016	The internal audit report on inventory should be referred back so that management should provide clear action plans and implementation dates by 24 Mar 2016 on how they will ensure that findings do not recur.	Yes

/Cont.....

Date of the meeting	Recommendations	Adopted (enter Yes) if not, provide explanation
14 Mar 2016	The CAE should send more information regarding the middle management assessment procedures.	Yes
14 Mar 2016	(a) The CAE should prepare a strategy on how the remaining projects will be completed in the 2015/2016 internal audit plan. (b) The IT audit matter should be referred to the audit committee member (Mr. Govender) for further advice.	Yes Yes
14 Mar 2016	The Acting MM (Mrs. Bushula) should provide the audit committee with the original plan and the implementation status of the MSCoA project.	In progress
13 Jun 2016	The CFO should submit a clear inventory action plan with specific implementation dates indicating how the finance department will rectify the issues identified by the internal audit on inventory at the next audit committee meeting.	Yes
13 Jun 2016	The internal audit report on fleet management has highlighted a number of control failures, therefore the CFO should provide a clear action plan showing controls which have been put in place and submit the plan at the next audit committee meeting (October 2016).	Yes

13 Jun 2016	The Manager: Governance & Compliance should meet with the Provincial Treasury to review the risk register on 20 Jun 2016 and submit the amended risk register to the audit committee before August 2016.	Yes
13 Jun 2016	The CAE should ensure that the annual internal quality review is performed even if the external quality review cannot be performed.	In progress

APPENDIX H (TO BE CONFIRMED)

LONG-TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIPS

LONG TERM CONTRACTS (20 LARGEST CONTRACTS ENTERED INTO DURING YEAR 0) R' 000					
Name of Service Provider (Entity or Municipal Department)	**Description of Services Rendered by the Service Provider**	**Start Date of Contract**	**Expiry Date of Contract**	**Project Manager**	**Contract Value**
TELKOM ISDN PRA Rental	Installation and Rental of Telkom ISDN 30 PRA Service	10-Nov-13	10-Nov-16	Director Corporate Service	R 91 610

PUBLIC PRIVATE PARTNERSHIPS ENTERED INTO DURING YEAR 0 R' 000					
Name of and Description of the Project	**Name of the Partner(s)**	**Initiation Date**	**Expiry Date**	**Project Manager**	**Value 20../20..**
No PPP were entered into by council					

APPENDIX I MUNICIPAL ENTITY/SERVICE PROVIDER

SCM STATISTICAL AND COMPLIANCE/ADMINISTRATIVE REPORTING: 2015/2016

Total number of times that the Tender Committee met during 2015/2016	
Specifications Committee	13 meetings
Evaluation Committee	11 meetings
Adjudication Committee	4 meetings
Total number of Tenders considered	88
Total number of Tenders approved	75
Average time taken from tender advertisement to award of a tender:	Days: 2 Weeks 10.Months 2

MEMBERS OF THE ADJUDICATION COMMITTEE

BID Committee Members		
Bid Specification Committee Members	**Bid Evaluation Committee Members**	**Bid Adjudication Committee Members**
K Fourie (Chairperson)	K Fourie (Chairperson)	CR Venter (Chairperson)
N Smith (SCM Practitioner)	N Smith (SCM Practitioner)	N Sbukwana (SCM Official)
X Mninzelwa	X Mninzelwa	P Bushula
M Theron	M Theron	T Wonga
U Sobudula	U Sobudula	L Gologolo
T van Zyl	T van Zyl	R Crozier
T van Rensburg	T van Rensburg	
L Tobben	L Tobben	
P Oliphant	P Oliphant	
B Viedge	B Viedge	
D Oertel	D Oertel	
N Nkopane	N Nkopane	
C Salmani	C Salmani	

S Mbekushe	S Mbekushe	
N Makaba (Secretary – SCM)	N Makaba (Secretary – SCM)	

SERVICE PROVIDERS STRATEGIC PERFORMANCE

Service provider means a person or institution or any combination of persons and institutions which provide a municipal service

- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality
- Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:
- The performance of each service provider
- a Comparison of the performance with targets set for and performances in the previous financial year; and
- measures taken to improve performance

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount more than R200 000 are listed.

MUNICIPAL ENTITY/SERVICE PROVIDER

CONSOLIDATED SERVICE PROVIDER BIDS AWARDED FOR THE PERIOD 2015 /2016

Fully Achieved/Targets Met – Excellent performance	
Targets Met with a Variance – Good Achievement	
Not yet met/not fully achieved	
Not achieved	
Not Assessed	Adjudication Stage

SUPPLIER PERFORMANCE EVALUATION REPORT 01 July 2015 – 30 June 2016

BID NO	PROJECT NAME	SERVICE PROVIDER	TENDER VALUE	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
125/2015	Design, documentation, project supervision for 5.5 km construction of gravel roads with storm water control in Ward 18	POV Group	R 287 274.85	100%	Consultant appointed	Service Level Agreement signed	No Variance	n/a	n/a

CONSOLIDATED SERVICE PROVIDER BIDS AWARDED FOR THE PERIOD 2015 /2016 continued….

BID NO	PROJECT NAME	SERVICE PROVIDER	TENDER VALUE	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
126/2015	Design, documentation, project supervision for 5.5 km construction of gravel roads with storm water control in Ward 17	POV Group	R 287 274.85	100%	Consultant appointed	Service Level Agreement Signed	No Variance	n/a	n/a
128/2015	Environmental impact Assessment application for construction of pedestrian bridge Ward 5	EOH Coastal & Environmental Services	R 175 799.40	70%	Consultant appointed to do Environmental application	Service Level Agreement submitted.	No Variance in progress	n/a	n/a
129/2015	Environmental impact assessment	Ages Eastern Cape	R 1 432 289.87	70%	Consultant appointed to do Environmental	Service Level Agreement submitted to	No Variance in progress	n/a	n/a

	application for bridges, cemeteries and landfill sites				application	do various projects			
162/2015	Construction of access roads and storm water channels in Ward 3	Amadwala Trading	R 2 719982.43	Project is 100 complete retention to be released	Contractor appointed and the road is complete – retention to be released	GCC contract part of the tender document.	No Variance - complete	n/a	n/a

CONSOLIDATED SERVICE PROVIDER BIDS AWARDED FOR THE PERIOD 2015 /2016 continued….

BID NO	PROJECT NAME	SERVICE PROVIDER	TENDER VALUE	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
163/2015	Construction of access roads and storm water channels in Ward 4	WDR Earthmoving Enterprise	R 2 993 636.00	95%	Contractor appointed and the road is complete – retention to be paid	GCC contract part of the tender document.	No Variance - complete	n/a	n/a
132/2015	Rehabilitation of existing cemetery Mlamli	Shakes & Xolani	R1 141 605.53	100%	Contractor appointed and the cemetery was	GCC contract part of tender document	No Variance completed	n/a	n/a

					rehabilitated				
135/2015	Purchase & Delivery of Office Furniture	Budget Office	R154 065.53	100%	Office Furniture was a once off purchase	n/a	No Variance	n/a	n/a
136/2015	Rehabilitation of existing cemetery Qoboshane	Milwa Consulting	R943 513.20	100%	Contractor appointed and the cemetery was rehabilitated	GCC contract part of tender document	No Variance completed	n/a	n/a
137/2015	Purchase & Delivery of a Truck with cherry picker	Bloemfontein Motors	R796 380.00	100%	Once off purchase	Maintenance Agreement submitted	No Variance	n/a	n/a

CONSOLIDATED SERVICE PROVIDER BIDS AWARDED FOR THE PERIOD 2015 /2016 continued….

BID NO	PROJECT NAME	SERVICE PROVIDER	TENDER VALUE	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
138/2015	Purchase & Delivery of Paraffin & Candles	Umalu C Projects	R 709 152.00	100%	Paraffin & Candles are delivered monthly	Service Level Agreement submitted	No Variance	n/a	n/a
140/2015	Rehabilitation of existing cemetery Musong	Abantsundu Building	R1 423 726.75	100%	Contractor appointed and the cemetery was	GCC contract part of tender document	No Variance completed	n/a	n/a

					rehabilitated				
141/2015	Barkly East Street Lightning	Itembalethu Electrical	R1 485 461.73	80%	The planned target was not achieved by 30 June 2016 due to the Contractor leaving the site without completing the project.	GCC contract part of the tender document	20% variance – variance to the timeframe contractor stopped construction	Specification committee approved the specifications to compete the project – Advertised for a Contractor	31 October 2016 to be competed.
142/2015	Design, documentation, project supervision for upgrading of KwaGcina Sportfield in Ward 2	Iqhayiya Design Workshop	R831 220.69	100%	Consultant Appointed	Service Level Agreement submitted	No Variance	n/a	n/a

BID NO	PROJECT NAME	SERVICE PROVIDER	TENDER VALUE	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
143/2015	Design, documentation, project supervision for upgrading of Naledi Sportfield in Ward 13	Iqhayiya Design Workshop	R831 220.69	100%	Consultant Appointed	Service Level Agreement submitted	No Variance	n/a	n/a
158/2015	Purchase LDV Waste Management	Nissan Dampier	R272 082.00	100%	Once off purchase	Vehicle Maintenance agreement submitted	No Variance	n/a	n/a
159/2015	Purchase of Tipper Truck	UD Trucks QT	R707 071.20	100%	Once off purchase	Vehicle Maintenance agreement submitted	No Variance	n/a	n/a
170/2015	Development of Commonage Management Plan	Ilizwe Town & Regional Planners	R310 000.00	100%	Plan was submitted	Public awareness is being done	No Variance	n/a	n/a
174/2015	IT Equipment for Various Departments	Aloe Office Business Equipment	R682 058.83	100%	Once off purchase	N/a	No Variance	n/a	n/a
179/2015	Land use Scheme	Umhlaba Consulting Pty Ltd	R391 643.40	100%	Once off payment – done – Public awareness is being done.	n/a	No Variance	n/a	n/a

CONSOLIDATED SERVICE PROVIDER BIDS AWARDED FOR THE PERIOD 2015 /2016 continued….

BID NO	PROJECT NAME	SERVICE PROVIDER	TENDER VALUE	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
182/2015	Supply & Delivery of material for MV Overhead Lines	Voltex (Pty)Ltd	R684 000.00	100%	Once off purchase	n/a	No Variance	n/a	n/a
183/2015	Supply & Delivery replacement of Street Lights	Electro Vroomen	R409 000.00	100%	Once off purchase	n/a	No Variance	n/a	n/a
184/2015	Supply of Material and repair of lights at 40 meter high mast Towers	Ram Electrical & Civil Contractors	R856 930.00	100%	Once off purchase	n/a	No Variance	n/a	n/a
199/2015	Purchase & Delivery of one tractor Loader Backhoe	Bell Equipment	R889 200.00	100%	Once off purchase	Maintenance agreement submitted	No Variance	n/a	n/a
202/2015	Purchase & Delivery of 300 Electricity meters	Utilities World	R309 600.00	100%	Once off purchase	n/a	No Variance	n/a	n/a
232/2015	Purchase & Delivery of 10 Soccer Poles &10 Nets	VIP Promotions	R218 500.00	100%	Once off purchase	n/a	No Variance	n/a	n/a
14/2016	Purchase &	CCU Supply	R228 632.70	100%	Once off	n/a	No Variance	n/a	n/a

	Delivery of fence for commonage	and Construction			purchase				

CONSOLIDATED SERVICE PROVIDER BIDS AWARDED FOR THE PERIOD 2015 /2016 continued….

BID NO	PROJECT NAME	SERVICE PROVIDER	TENDER VALUE	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
15/2016	Design, documentation & Supervision for construction of 5.5 km paved roads with storm water control in Herschel Ward 11	Dibanani Consulting	R342 000.00	100%	Consultant appointed	Service Level Agreement submitted	No Variance	n/a	n/a
16/2016	Design, documentation & Supervision for construction of 5.5 km of paved roads with storm water control in Tienbank Ward 10	Dibanani Consulting	R 342 000.00	100%	Consultant appointed	Service Level Agreement submitted	No Variance	n/a	n/a
19/2016	Purchase & Delivery of 18 hawker Stalls in Ward 10	Culumanco Development	R 1 080 000.00	100%	Once off purchase	n/a	No Variance	n/a	n/a

CONSOLIDATED SERVICE PROVIDER BIDS AWARDED FOR THE PERIOD 2015 /2016 continued….

BID NO	PROJECT NAME	SERVICE PROVIDER	TENDER VALUE	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
21/2016	Design, documentation & project supervision for Lady Grey Street Lightning Steve Tshwete Ward 14	Thabile Trade 1043	R366 225.00	100%	Consultant Appointed	Service Level Agreement submitted	No Variance	n/a	n/a
22/2016	Establishment of a Pound in Lady Grey	SKCM Engineers	R593 064.96	100%	Consultant appointed	Adopted by Council	No Variance	n/a	n/a
23/2016	Fencing of Sterkspruit cemetery Re advert	Mantutle Trading	R204 905.88	100%	Consultant appointed	n/a	No Variance	n/a	n/a
26/2016	Purchase of a server	Siver Solution & Consulting	R282 492.00	100%	Once off purchase	n/a	No Variance	n/a	n/a
49/2016	Refurbishment of Transformers for a 3-year service contract	Transformer Field Services	R 853 696.10	100%	3-year contract	Service level Agreement	No Variance	n/a	n/a
56/2016	Purchase and	Burwana	R100 000.00	100%	Purchase as	Service level	No Variance	n/a	n/a

	delivery of Cold Mix Asphalt	Asphalt Coldmix			required	Agreement			
59/2016	Purchase & Delivery of a traffic sedan vehicle	Geat Services	R 387 692.00	100%	Once off purchase	Maintenance Agreement Submitted	No Variance	n/a	n/a

FINANCIAL YEAR 15/16 - INFRASTRUCTURE/CAPITAL PROJECTS: PMU UNIT

BID NO	DESCRIPTION OF SERVICE	CONTRACTOR/ SERVICE PROVIDER	START DATE	END DATE	CONTRACT AMOUNT	2015_16 FY PAYMENTS	PAYMENTS MADE TO DATE	EXTENSION / VARIATION	COMMENTS/ CURRENT STATUS	COMPLETE / WIP
179/2014	Construction of Access Roads & Storm-Water Ward 3 & 4	GMH Consulting Engineers	Mar-15	-	283 900.00	84 431.95	229 214.88	Variation order was submitted and a decision was taken that it will not be paid because there was no change in the	Complete	WIP

								design scope of works		
162/2015	Construction of Access Roads & Storm-Water Ward 3	Amadwala Construction Trading 363 cc	Dec-15	Jun-16	2 713 982.43	1 548 505.70	1 765 296.50	None	Complete	WIP
63 / 2013	Professional Services: Culvert Crossing in Ward 3, Pedestrian Bridge in Ward 4	SKCM Engineers	Jun-13	Feb-16	495 965.59	82 611.66	491 772.79	None	Complete	Complete
24/2015	Construction of Pedestrian bridge ward 4 Boomplaas	WDR Earthmoving enterprise	Apr-15	Feb-16	3 386 010.67	2 154 073.26	3 215 395.58	None	Complete	Complete
163/2015	Construction of Access Roads & Storm-Water Ward 4	WDR Earthmoving enterprise	Dec-15	May-16	2 993 636.00	2 494 694.30	2 843 951.50	None	Complete	WIP

FINANCIAL YEAR 15/16 - INFRASTRUCTURE/CAPITAL PROJECTS: PMU UNIT CONTINUED

BID NO	DESCRIPTION OF SERVICE	CONTRACTOR/ SERVICE PROVIDER	START DATE	END DATE	CONTRACT AMOUNT	2015_16 FY PAYMENTS	PAYMENTS MADE TO DATE	EXTENSION / VARIATION	COMMENTS/ CURRENT STATUS	COMPLETE / WIP
23 / 2015	Construction of Culvert crossing in Ward 3	Amadwala Construction Trading 363	Dec-15	Jun-16	1 955 713.32	606 398.67	1 743 489.27	None	Complete	Complete

		cc								
94/2014	Community Hall ward 12	Iqhayiya Design	Mar-15	May-16	389 712.99	177 764.38	378 021.58	None	Complete	WIP
48/2015	Community Hall ward 12	Shakes & Xolani	Jun-15	May-16	3 132 529.59	2 583 033.88	2 944 658.61	None	Complete	WIP
93/2014	Community Hall ward 9	Iqhayiya Design	Mar-15	-	389 712.99	177 764.38	378 021.58	None	75% complete	WIP
47/2015	Community Hall ward 9	Sizisa Ukhanyo	Jun-15	-	3 582 803.40	2 026 012.29	2 309 654.01	None	75% Complete	WIP
49/2015	Community hall ward 18	Lady Grey Joinery	May-15	Feb-16	2 781 746.38	2 216 508.88	2 595 727.00	None	Complete	WIP
195 / 2014	Community hall ward 18	SKCM Engineers	Mar-15	Feb-16	438 900.00	219 450.00	425 733.00	None	Complete	WIP
59 / 2015	Design Documentation & Site Supervision for Rehabilitation of three cemeteries Mlamli, Musong & Qhoboshane	SKCM Engineers	Jun-15	May-16	549 276.57	262 393.16	440 916.66	None	Complete	WIP

FINANCIAL YEAR 15/16 - INFRASTRUCTURE/CAPITAL PROJECTS: PMU UNIT CONTINUED

BID NO	DESCRIPTION OF SERVICE	CONTRACTOR/ SERVICE PROVIDER	START DATE	END DATE	CONTRACT AMOUNT	2015_16 FY PAYMENTS	PAYMENTS MADE TO DATE	EXTENSION /VARIATION	COMMENTS/ CURRENT STATUS	COMPLETE / WIP
132/2015	Rehabilitation of Mlamli Cemeteries Ward 9	Shakes and Xolani	Sep-15	May 216	1 141 605.53	1 045 137.49	901 268.25	None	Complete	WIP
140/2015	Rehabilitation of Musong Cemeteries Ward 6	Abantsundu Construction	Sep-15	May 216	1 423 726.75	1 169 794.37	1 231 362.50	None	complete	WIP
136/2015	Rehabilitation of Qoboshane Cemeteries Ward 3	Milwa Construction	Sep-15	May 216	943 513.70	786 250.40	827 632.00	None	Complete	WIP
	Design Documentation & Site Supervision for construction of Senqu cemeteries Phase II	Sektor Consulting Engineers	Pre – 2009 appointments	Aug-15	1 014 978.38	84 778.91	710 484.87	None	Complete	Complete
174 / 2014	Construction of new Cemetery Mbobo Ward 1	Nemani and Sons	Feb-15	Jun-15	156 713.48	13 897.38	132 525.11	None	Complete	
174 / 2014	Construction of new Cemetery Sitorom Ward 2	Buwe Construction	Feb-15	Aug-15	150 555.80	138 008.84	126 229.45	None	complete	

BID NO	DESCRIPTION OF SERVICE	CONTRACTOR/ SERVICE PROVIDER	START DATE	END DATE	CONTRACT AMOUNT	2015_16 FY PAYMENTS	PAYMENTS MADE TO DATE	EXTENSION /VARIATION	COMMENTS/ CURRENT STATUS	COMPLETE / WIP
174 / 2014	Construction of new Cemetery Mokhesi Ward 8	Buwe Construction	Feb-15	Aug-15	57 548.10	74 466.62	153 097.01	None	Complete	
174 / 2014	Construction of New Cemetery Magwiji 12	Buwe Construction	Feb-15	Aug-15	157 257.91	130 802.19	129 731.54	None	Complete	
174 / 2014	Construction of New Cemetery Madakana Ward 11	Nemani and Sons	Feb-15	Jun-15	146 980.68	34 101.38	123 676.92	None	Complete	
25 / 2015	Extension of Barkly East cemetery	Swimming Fish Trading	Jun-15	Jan-16	745 780.74	458 812.60	574 414.32	None	Complete	WIP
170 / 2014	Design, Documentation & Site Supervision of Lady Grey Paved Roads Ward 14	GMH Consulting Engineers	Mar-15	Feb-16	209 076.00	92 473.44	193 024.15	None	Complete	Complete
52 / 2015	Construction of Lady Grey Paved Roads Ward 14	Amadwala Construction Trading 363 cc	Jun-15	Feb-16	10 592 424.01	9 194 475.71	10 592 423.95	1 678 155.53	Complete	Complete
20 /	Renovation of	Thepa	Feb-16	Jun-16	8 601.30	-	87 601.30	None	Complete	

BID NO	DESCRIPTION OF SERVICE	CONTRACTOR/ SERVICE PROVIDER	START DATE	END DATE	CONTRACT AMOUNT	2015_16 FY Payments	PAYMENTS MADE TO DATE	EXTENSION /VARIATION	COMMENTS/ CURRENT STATUS	COMPLETE / WIP
23 / 2016	Fencing of Sterkspruit Cemetery	Mantutle	Feb-16	Jun-16	204 905.88	-	177 041.10	None	Complete	
142 / 2015	Design, Documentation & Site Supervision of construction of Kwa-Gcina Sportfield in Ward 2	Iqhayiya Design	Feb-16	Jun-16	831 220.69	401 027.50	480 541.38	None	Adjudication Stage for construction	WIP
143 / 2015	Design, Documentation & Site Supervision of construction of Herschel Sportfield in Ward 13	Iqhayiya Design	Feb-16	Jun-16	831 220.69	401 027.50	480 541.38	None	Adjudication Stage for construction	WIP
15 / 2016	Design, Documentation & Site Supervision of construction of	Dibanani Consulting	Mar-16	-	342 000.00	-	34 200.00	None	Adjudication Stage for construction	WIP

	Paved Roads & Storm-water channels Herschel in Ward 11									

FINANCIAL YEAR 15/16 - INFRASTRUCTURE/CAPITAL PROJECTS: PMU UNIT CONTINUED

BID NO	DESCRIPTION OF SERVICE	CONTRACTOR/ SERVICE PROVIDER	START DATE	END DATE	CONTRACT AMOUNT	2015_16 FY Payments	PAYMENTS MADE TO DATE	EXTENSION /VARIATION	COMMENTS/ CURRENT STATUS	COMPLETE / WIP
16 / 2016	Design, Documentation & Site Supervision of construction of Paved Roads & Storm-water channels Tienbank in Ward 10	Dibanani Consulting	Mar-16	-	342 000.00	-	34 200.00	None	Adjudication Stage for construction	WIP

VENDOR PERFORMANCE FOR THE FINANCIAL YEAR 2015/2016

Fully Achieved/Targets Met – Excellent performance	
Targets Met with a Variance – Good Achievement	
Not yet met/not fully achieved	
Not achieved	

DEPARTMENT	**TOTAL**	**POOR** Not achieved	**FAIR** Not yet met/not fully achieved	**GOOD** Targets Met Variance – as a result circumstances overall - Good Achievement	**EXCELLENT** Fully Achieved/Targets Met – Excellent performance
Technical services	403	3	12	120	268
BTO	33	0	0	7	26
Community services department	64	2	1	13	48
Corporate services and support department	185	0	6	105	74
MM' s Office	5	0	0	1	4
DTPS	48	0	3	14	31
Internal Audit Unit	3	0	0	0	3
TOTAL	741	5	22	260	454

NEW AND UPDATED VENDORS - SENQU DATA BASE 2015-2016

VENDOR NUMBER	NEW VENDOR NAME	TYPE OF SERVICE RENDERED	VAT NUMBER
A183	Aluvite Trading	Information Technology, Advertising, Communication, Design, Protective Clothing, Office Equipment	n/a
B284	BKU Trades cc	Retailer Business Bags & Travel Bags	4900204563
B285	Boyizini Construction and Suppliers	Paving & Concrete	n/a
B286	Beeld Holiday Show	Event Management	4560211973
C116	CHM Vuwani Computers Solutions Pty Ltd	Environmental, Project Management, Information Technology	n/a
C118	Cwecwe Projects	Roadworks, Water/Sanitation, Environmental, Project Management	N/A
C119	Comspec Africa	Mechanical,2-Way Radio Communication, Warning Equipment, Sipens, Amplifies	4840202776
F050	Fachs Business Consulting and Training	Training	N/A
H073	Hue-Manufacturing	Construction	4350106771
G098	Golden Gate Security	Security and Cleaning Services	N/A
I091	Itikeng General	Catering, Transport, Painting, Renovation, Fencing, Paving, Carpentry	
I098	Imbutho Design	Print & Designs, Branding, Advertising, Corporate Gifts	N/A
J055	Kuluvuyo General Trading	Road Works, Cleaning Material, Stationery	4110263193
J059	Jubadox (Pty)Ltd	Construction, Catering, Plumbing, Hotel	
J060	Jubatrix Pty Ltd	Construction	
K150	Kuse Africa Trading	Grass Cutting, Cleaning, Painting, Renovation, Plumbing	n/a
K151	K2014103503 (S.A) Pty Ltd	Catering Services, Event Planning	n/a
L069	Letaba Multi-Purpose	Construction	n/a
L165	Limakatso Entertainment	Accommodation, Catering, Event Management	4830254324
L166	Lovely Eden	Painting, Catering, Grass Cutting, Cleaning, Renovations	n/a

/CONTINUED…

VENDOR NUMBER	NEW VENDOR NAME	TYPE OF SERVICE RENDERED	VAT NUMBER
L167	Little Pig	Information Technology	n/a
L168	Lebohang Pty Ltd	Branding, Embroidery, Catering, Supply & Delivery	n/a
L170	Lomsoz Trading	Construction	
L171	Lubabalo Estate	Water/Sanitation, Environmental, Occupation Health and Safety	n/a
M824	Mdledle Mkize Vockradt Inc	Conveyancing	4820260190
M828	Mbulelo Mdala Supply & Delivery	Information Technology, Stationery, Protective Clothing, Branding & Embroidery	
M829	Macnay cc	Roadworks, Water/Sanitation, Mechanical	4160105336
M830	Masheya Trading	Branding, Catering	
M831	Moon Man	Catering, Food Parcels	n/a
M832	Msikinya Attorney & Associates	Legal. Forensic Investigation	4400248573
M833	Ntlahla	Security and Cleaning Services	n/a
M834	Archie Marambana	Printing, Promotional Gifts, Promotional Clothing, Banners & Signage	n/a
N228	Nonkathambo Trading	Catering, Cleaning, Stationery, Tools	n/a
N229	Nomtosololo Enterprise	Roadworks, healthy	n/a
N230	Ngazibini Trading Enterprise	Construction	4830264307
N231	Nixispan	Training	n/a
P144	Pro-active & RPL College	Training	4050240466
P145	Ph Marketing	Electrical	4070192952
P146	Pfume Transportation	Project Management, Transportation, Catering	n/a
P147	Qowerec (Pty) Ltd	Electrical	4040187769
Q030	Qukeza Trading & Enterprise Pty Ltd	Tents, Rooms for Rentals, Accommodation, Transport	n/a

/CONTINUED…

VENDOR NUMBER	NEW VENDOR NAME	TYPE OF SERVICE RENDERED	VAT NUMBER
R099	Riverport Training Academy	Training, occupational health and safety	4870239003
S371	Smart Job Supplies	Advertising, printing, designing, marketing, stationery	n/a
S372	Sikhulisile Trading	Catering, cleaning	n/a
S373	Silwana Multi Project	Groceries	n/a
T179	Turfmaster Port Elizabeth	Manufacturing, grass cutting equipment and sundry commodities	4500238078
T180	Timo Craft Consulting	Development planning, urban design	n/a
T181	Tadulax Pty Ltd	Stationery, cleaning, catering, transportation	n/a
T182	Teleray	TV transmitters, maintenance of existing stations	4630197194
T183	Twin Blade Trading	Construction	n/a
T184	T and T Skill Development	Training	n/a
V068	VIP Promotion Pty Ltd	Branding, Promotional Clothing, Corporate Gifts, Work wear, Sport wear	4360266599
V070	Vumisa Burial	Burial Services	n/a
W032	WG Mica	Wholesale and Retail Suppliers of Plumbing, Paint, Power Tools, hardware, Electrical, Gardening	4710119266
Z164	Zimhlele Trading cc	Supply and Delivery of Stationery, Protective Clothing, Event Management	n/a
Z165	Zenande Consulting	Environmental	n/a

APPENDIX J (TO BE CONFIRMED)

DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTEREST (Disclosed in the AFS)		
PERIOD 1 July 2015 to 30 June 2016		
Position	**Name**	**Description of financial interest Nil or provide details**
Mayor	Cllr NY Mtyali	Nil
Member/s of Exco	M.W. Mpelwane	Nil
	G.N. Mbonyana	Nil
	J Konstabel	Nil
	N.M. Kwinana	Nil
	M. Mafilika	Nil
Councillors	A.P. Kwinana	Nil
	S.S Tindleni	Zinwe Training Subsistence farming
	N.R. Nthako	Nil
	I.Mosisidi	Nil
	G.S. Mvunyiswa	Nil
	M.A. Mshasha	Nil
	I.M. Elia	Nil
	M.A. Mangali	Nil
	A.H. Sobhuza	Nil
	B.S. Majodina	Nil

	P.G. Key	Amagcina in Business
	N. Nombula	Nil
	J. Lamani	Sinawo Amandla Catering
	N.C Mraji	Nil
	M. Gojo	Nil

DISCLOSURES OF FINANCIAL INTERESTS (CONT.)

DISCLOSURES OF FINANCIAL INTEREST (Disclosed in the AFS)		
PERIOD 1 July 2015 to 30 June 2016		
Position	**Name**	**Description of financial interest Nil or provide details**
Councillors	M.G. Moeletsi	Nil
	P.A. April	Nil
	S. Mfisa	Mfisa Consulting
	M.N. Ngendane	Nil
	M.P. Bingwa	Nil
	L.M. Tokwe	Nil
	M.J. Mjali	Nil
	S.S. Ndzongana	Nil
	P.N August - SPEAKER	Nil
	B. Ngogodo	Nil
	N.C. Motemekwane	Nil
	R.M Joubert	Nil
	I.H. Van Der Walt	Nil
	S. Mziki	Nil
	M.J. Sereba	Herschel People Co-operation limited
	M. Senoamali	Nil
Municipal Manager	MM Yawa	Nil

CFO	CR Venter	Nil
Directors	PL Bushula	Nil
	TE Wonga	Nil
	RN Crozier	Nil
	LNC Gologolo	Nil

APPENDIX K

REVENUE COLLECTION PERFORMANCE BY VOTE

The Table below shows the comparisons between actual and budgeted revenue for the financial year 2014/15 and previous financial years with the Original and Adjusted Budget

	ORIGINAL BUDGET 2016	BUDGET ADJUSTMENTS 2016	FINAL BUDGET 2016	ACTUAL OUTCOME 2016	BUDGET VARIANCE 2016	RESTATED OUTCOME 2015
REVENUE						
	104 568		**106 400**	**111 906**		**122 896**
Governance and administration	**827**	**1 832 000**	**827**	**613**	**5 505 786**	**597**
Executive and council	7 212 000	-	7 212 000	7 212 000	-	7 413 870
Budget and treasury office	95 506 597	1 832 000	97 338 597	99 138 760	1 800 163	109 473 003
Corporate services	1 850 230	-	1 850 230	5 555 853	3 705 623	6 009 724
Community and public safety	**21 005 998**	**30 000**	**21 035 998**	**16 927 985**	**(4 108 013)**	**16 573 943**
Community and social services	12 579 080	-	12 579 080	13 782 998	1 203 917	3 560 340
Sport and recreation	5 338 050	-	5 338 050	2 362 381	(2 975 669)	12 816 133
Public safety	3 088 868	30 000	3 118 868	782 607	(2 336 261)	167 543
Housing	-	-	-	-	-	29 927
Economic and environmental services	**17 919 398**	**5 479 113**	**23 398 511**	**27 092 752**	**3 694 241**	**24 506 093**
Planning and development	1 879 954	1 236 414	3 116 368	3 062 447	(53 921)	1 929 033
Road transport	16 039 444	4 242 699	20 282 143	24 030 306	3 748 163	22 577 061
Trading services	**87 632 733**	**1 407 000**	**89 039 733**	**86 559 159**	**(2 480 574)**	**45 226 849**
Electricity	53 545 952	815 000	54 360 952	56 893 894	2 532 941	37 402 695
Waste management	34 086 781	592 000	34 678 781	29 665 265	(5 013 515)	7 824 154

Other	-	-	-	-	-	-
Other						
Total Revenue - Standard						
	231 126		**239 875**	**242 486**		**209 203**
Total Revenue - Standard	**957**	**8 748 113**	**069**	**509**	**2 611 440**	**483**

REVENUE COLLECTION BY SOURCE

A Revenue by Source Analysis with explanations regarding material variances can be seen on the table below.

	ORIGINAL BUDGET 2016	BUDGET ADJUSTMENTS 2016	FINAL BUDGET 2016	ACTUAL OUTCOME 2016	BUDGET VARIANCE 2016	RESTATED OUTCOME 2015
	R	R	R	R	R	R
REVENUE BY SOURCE						
Property rates	6 856 119	-	6 856 119	4 654 049	(2 202 071)	4 607 033
Service charges	29 381 115	1 357 000	30 738 115	30 896 123	158 008	29 442 726
Rental of facilities and equipment	312 356	-	312 356	756 417	444 061	645 960
Interest earned - external investments	7 360 000	1 800 000	9 160 000	13 913 370	4 753 370	10 511 716
Interest earned - outstanding debtors	1 141 796	50 000	1 191 796	2 493 926	1 302 130	1 969 792
Fines	272 472	-	272 472	323 933	51 461	818 340
Licences and permits	2 905 064	(750 000)	2 155 064	1 085 309	(1 069 755)	1 303 197
Agency services	1 665 217	150 000	1 815 217	1 080 375	(734 842)	510 104
Transfers recognised - operational	143 637 100	1 229 414	144 866 514	149 152 333	4 285 820	124 357 555
Other revenue	2 196 818	69 000	2 265 818	6 174 896	3 909 079	7 401 032
Other						
Total Revenue - Standard						
Total Revenue (excluding capital transfers and contributions)	**195 728 057**	**3 905 414**	**199 633 470**	**210 530 733**	**10 897 262**	**181 567 454**

APPENDIX L

CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG (TO BE CONFIRMED)

Conditional GRANTS 2014/2015	2016 R	2015 R	2 014 R	2 013 R
National: Municipal Finance Management (MFMA)	1 600 000	1 600 000	1 550 000	1 500 000
National: Municipal Systems Improvement Grant	930 000	934 000	890 000	800 000
National: Neighbourhood Development Partnership Grant				10 154 769
National: Expanded Public Works Program	2 059 000	1 976 000	2 160 000	1 857 000
National: Dept. Sport (Youth Development - Sport Fields)		253 587	1 398 033	175 203
Peach & Vegetable Processing				-
Holo Hlahatsi Agricultural Project				103 897
Co-op's Development				-
Prov Gov - Housing (Lady Grey)				-
Prov Gov - Housing (Hillside)				507 727
Implementation Ownership				53 216
Rossouw Agricultural Project				49 582
Alien Vegetation	1 229 414	1 908 299	1 523 000	-
Plastic Products				90 167
Provincial Roads (Musong Road)				626 675
Greenest Municipality				500 000
Second Economy Regeneration (LED)				109 862
Clean Audit				95

				000
Vuna Awards		359 596	470 000	
Commonage Management Plan				46 056
Municipal Support Programme				-
Joe Gqabi DM - District Call Centre				-
Libraries	1 200 000	1 200 000	1 200 000	1 200 000
Total Government Grants and Subsidies	**7 018 414**	**8 231 481**	**9 191 033**	**17 869 153**

Conditional Grants for the financial year are listed above and shows amounts for conditions met transferred to revenue.

APPENDIX M – M (I) AND M(II)

CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME / CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Description	Ref	2012/13	2013/14	2014/15	2015/16	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Actual 2015/16	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Infrastructure		**10 250**	**36 896**	**15 921**	**20 129**	**27 851**	**27 243**	**27 243**	**43 620**	**45 950**	**26 161**
Infrastructure - Road transport		8 512	33 002	12 817		17 513	22 493	22 493	32 588	37 320	24 341
Roads, Pavements & Bridges		6 071	33 002	9 536	12 698	14 475	21 055	21 055	32 588	33 920	20 141
Storm water		2 441	–	3 281	4 580	3 038	1 438	1 438	–	3 400	4 200
Infrastructure - Electricity		711	791	2 988		4 486	3 712	3 712	6 762	–	320
Generation		–	–	–		–	–	–	–	–	–
Transmission & Reticulation		711	791	2 988	2 349	4 486	980	980	3 268	–	–
Street Lighting		–	–	–		–	2 732	2 732	3 494	–	320
Infrastructure - Water		–	–	–		–	–	–	–	–	–
Dams & Reservoirs		–	–	–		–	–	–	–	–	–
Water purification		–	–	–		–	–	–	–	–	–
Reticulation		–	–	–		–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–		–	–	–	–	–	–
Reticulation		–	–	–		–	–	–	–	–	–
Sewerage purification		–	–	–		–	–	–	–	–	–
Infrastructure - Other		1 027	3 103	116		5 852	1 038	1 038	4 270	8 630	1 500
Waste Management		–	2 947	116	502	5 852	1 038	1 038	4 270	8 630	1 500
Transportation	2	1 027	156	–		–	–	–	–	–	–
Gas		–	–	–		–	–	–	–	–	–
Other	3	–	–	–		–	–	–	–	–	–

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Description	Ref	2012/13	2013/14	2014/15	2015/16	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Actual 2015/16	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Community		**12 721**	**6 846**	**11 996**	**5 957**	**22 065**	**27 208**	**27 208**	**12 580**	**7 270**	**20 849**
Parks & gardens		–	945	91	70	500	100	100	200	1 000	2 200
Sportsfields & stadia		2 781	2 120	11 616	1 626	5 582	6 853	6 853	7 880	–	7 531
Swimming pools		–	–	–		–	–	–	–	–	–
Community halls		2 381	2 092	–		10 483	12 953	12 953	3 800	2 300	350
Libraries		–	–	–		–	–	–	–	–	–
Recreational facilities		7 274	–	–		–	–	–	–	–	–
Fire, safety & emergency		–	–	–		–	–	–	–	–	–
Security and policing		–	–	–		–	–	–	–	–	–
Buses	7	–	–	–		–	–	–	–	–	–
Clinics		–	–	–		–	–	–	–	–	–
Museums & Art Galleries		–	–	–		–	–	–	–	–	–
Cemeteries		286	1 689	289	4 232	5 500	7 052	7 052	300	–	8 731
Social rental housing	8	–	–	–		–	–	–	–	–	–
Other		–	–	–	30	–	250	250	400	3 970	2 037

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Description	Ref	2012/13	2013/14	2014/15	2015/16	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Actual 2015/16	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Other assets		**14 670**	**8 902**	**19 158**	**12 714**	**12 974**	**11 769**	**11 769**	**19 378**	**2 103**	**2 767**
General vehicles		675	948	4 929	1 325	1 560	1 567	1 567	670	–	–
Specialised vehicles	10	1 737	–	–	612	1 000	707	707	–	–	–
Plant & equipment		8 741	2 069	1 025	1 075	1 925	1 965	1 965	1 370	480	610
Computers - hardware/equipment		–	–	–	383	1 264	1 437	1 437	1 558	1 258	1 147
Furniture and other office equipment		720	1 611	2 402	594	982	1 100	1 100	1 155	285	30
Abattoirs		–	–	–		–	–	–	–	–	–
Markets		–	–	–		–	–	–	–	–	–
Civic Land and Buildings		2 798	–	–		–	–	–	–	–	–
Other Buildings		–	4 275	10 802	8 724	3 810	2 560	2 560	14 625	80	980
Other Land		–	–	–		400	400	400	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–		–	–	–	–	–	–
Other		–	–	–		2 033	2 033	2 033	–	–	–
Intangibles		24	56	–	10	–	–	–	–	–	–
Computers - software & programming		24	56	–	10	–	–	–	–	–	–
Other (list sub-class)		–	–	–		–	–	–	–	–	–
		–	**–**	**–**		**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure	1	**37 665**	**52 701**	**47 075**	**38 810**	**62 890**	**66 220**	**66 220**	**75 578**	**55 323**	**49 777**

This table contains a complete Capital Programme for all Municipal Capital Acquisitions including both New and Renewal assets. Sources of funding for each asset are also shown and this funding is cash backed and provision is being made for these types of capital purchases in the municipalities Capital Replacement Reserve.

APPENDIX N

CAPITAL PROGRAMME BY PROJECT YEAR 2015/2016

Capital Additions for the financial year 2015/2016 amounted to R 38 809 545 The following tables show these additions per category and per vote and are being classified as Infrastructure Assets, Loose Assets and Land & Buildings.

Capital 2015_16	R
Computer Equipment	802 953
Plant and Equipment	1 033 746
Furniture & Fittings	278 523
Motor Vehicles	1 937 019
Hawker Stalls Sterkspruit;Bu	29 666
Access Roads W3;Roads , Pave	1 767 981
Access Roads Ward 4 ;Roads ,	2 663 018
Access Roads Ward 17 ;Roads	314 979
Access Roads Ward 18 ;Roads	269 824
Bridge Ward 5;Roads , Paveme	38 553
Bridge Boomplaas W4;Roads ,	2 287 719
Pedestrian bridge: Lady Grey	16 452
Paved streets: Herchel;Roads	44 336
Tienbank:paved road: roads;R	76 673
Resurface Roads LG;Roads , P	9 176 458
Culvert Crossing W3 Hohobeng	621 948
Street Lights Ward 19 - BE;S	1 409 034
Street Lights Ward 14 - LG;S	22 200
Community Hall Ward 9;Buildi	2 429 980
Community Hall Ward 12;Build	2 896 747
Community Hall Ward 18;Build	2 435 938
Renovations Transwilger Hall	125 758
Cemetries Ward 3 Musong;Land	1 315 990
Cemetries Ward 3 Qhoboshane;	912 260
Cemetries Ward 6 Mlamli;Land	1 080 347
Cemetries Madakana;Land	34 101
Cemetries Phase3SEKTOR;Land	84 779
Cemetries Magwiji W12;Land	111 480
Cemeteries Sitoromi W2;Land	110 284
Cemeteries Mokhesi W8;Land	58 712
Extention BE Cem;Land	509 792

Cemetery Mbobo Village W();L	13 897
Sportfields Ward 2 ;Sport fi	401 028
Sportfields Ward 13;Sport fi	401 028

APPENDIX N (CONT.)

Capital 2015_16	R
BE Stadium Lighting;Sport fi	1 269 061
Establishment of Park LG;Lan	70 163
Solid Waste Site Ward 10 - S	145 443
Solid Waste Site Ward 11 - H	113 963
Solid Waste Site Ward 15 ;Wa	112 361
Solid Waste Site Ward 16 - R	112 361
Solid waste site: Lady Grey;	8 704
Solid waste site: Barkly East	8 704

APPENDIX O

CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2015/2016

Description	2015/16
R thousand	**Actual 2015/16**
Infrastructure	**20 128 893**
Roads, Pavements & Bridges	12 698 359
Storm water	4 579 582
Transmission & Reticulation	2 349 416
Waste Management	501 536
Community	**5 957 084**
Parks & gardens	70 163
Sportsfields & stadia	1 625 613
Cemeteries	4 231 642
Other	29 666
Other assets	**12 713 659**
General vehicles	1 324 939
Specialised vehicles	612 080
Plant & equipment	1 074 793
Computers - hardware/equipment	383 008
Furniture and other office equipment	594 346
Other Buildings	8 724 492
Intangibles	9 909
Computers - software & programming	9 909
Total Capital Expenditure	**38 809 545**

APPENDIX P

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 1	
Mbobo J.S.S	Cracks on walls Water Supply Administration Block Poor Playing Fields Damaged Toilets No Hall
BIKIZANA J.S.S.	Toilets, Water, Sports Ground One block is a mud Structure and Access Roads
WALAZA J.S.S.	Admin Block not in good condition Toilets are falling apart No Sport Grounds, No Furniture
NDOFELA J.S.S.	Mud structure Toilets, Access Roads, Fencing Water Supply, Playing Ground, Admin block
NXASANA S.P.S.	Admin block, Sanitation, Grade R class is falling apart, Sports field. Erection of Security fence Renovations of all classes, Furniture
GOVERNORS DRIFT	Mud structure, Admin block, Fencing Water Supply, Access Roads,
WARD 2	
Qhoboshane, Qhemerha,Telle Junction, Kwa Gcina, Storomo, ST Teresa	Access Roads, Water Supply, Sanitation, Admin Block, Furniture, Fencing, Laboratory, Library

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 3	
Ndingishe J.S.S.	5 Additional Classrooms, Access Roads, Water Supply, Admin Block, Library, Laboratories, School Grounds, Fencing
TLOKWENG S.S.S.	Toilets for Teachers, Admin Block, Library, Laboratory.
Mahedi J.S.S.	4 Additional classrooms, Administration Block,
Hohobeng J.S.S. and Mmusong	Cracked walls, roof blown away, major renovations, water supply, Toilets, Network Coverage.
Tlhakong S.P.S.	Water Supply, Sanitation, Administration Block, Sport Grounds, 3 classrooms blown away.
Ekra J.S.S	5 Additional Classrooms, Administration Block, Water Supply, Toilets, Sports field.
Musong J.S.S	Major Renovations, Water Supply, Sanitation, Administration Block, An access Road, Network Coverage.
MPoki S.P.S	Water Supply, Access Roads, No Network Coverage.
WARD 4	

Bongiwe, Buyani, Cebano, Blikana, Jonas Goduka, Hillside, Lufefe, Mkunyazo, Mthabisa, Ndungunya, Ntlangano, Mxokozeli, Penhoek, Vusisizwe.	Water, 1 2 Schools 8 Schools needs Toilets 8 schools needs access roads All 14 needs sports fields 5 schools needs to be upgraded in terms of electricity 11 schools needs fencing

Ward 5 cont.….

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 5	
Makhumsha, Mabele, Kwabo, Sivumelene, Bebeza, Nomlengana, Dangershoek.	Mud Structures Water Supply Toilets Fencing Sports fields Network Coverage No compliance Certificate issued to those schools with electricity
WARD 6	
HOITA, Majuba, MALGAS, MAPOLO, THEMBALETHU, UMLAMLI, ZINGXENGELE, BONGOLETHU, MONWABISI, PHELANDABA.	Renovations of existing buildings. Playgrounds Water Supply Fencing Access Roads Libraries Laboratories Administration Block
WARD 7	
Nyathela S.S.S	Mud Structure Fencing Sanitation Shortage of Classrooms

TSAKANA S.P.S.	5 Classrooms needs Renovations Sanitation Water Supply Sports fields Fencing
THABA LESOBA	Access Roads Fencing Renovations of 5 Classes Sanitation Water Supply Sports fields

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

St Michaels	Mud Structures Weak Electricity Fencing, Toilets, Water Supply Sports Fields
MBOLEKWA S.P.S	Mud Structures Administration Block Sanitation, Water Supply Sports Fields
EGUGWINI J.S.S.	Toilets and Fencing
MACACUMA S.P.S.	Sports Fields Fencing and Toilets Minor Renovations Water Supply
WARD 8 DID NOT SUBMIT	
WARD 9	
AMAQWATHU JSS	Administration Block
LUVUMELWANO S.S.	Administration Block 10 Classrooms
VOYIZANA SPS	Renovations of 13 Classrooms Administration Block
NGQUBA JSS	Admin Block 4 Classrooms to be added Renovations of 5 Classrooms
JOVELENI S.P.S	Addition of 3 Classrooms
SUNDUZA J.S.S	Addition of 3 Toilets
	Common Challenges For Ward 9 - Water Supply - Sanitation - Fencing - Access Roads - Sports Fields

	- Library, Laboratory - Upgrading of Electricity

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 10 (cont.)	
Bensonvaile JSS	Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Ekuzoleni JSS	6 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Ngongodoville SPS	3 New Classrooms Major Renovations (building in the stat of collapsing Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Nkululeko SSS	6 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation

	Fence Sporting Facilities Access Road

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

Nomzamo (Sterkspruit) JSS	15 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities
Sterkspruit Community	10 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Sterkspruit SSS	25 New Classrooms (Declared that the building cannot be renovated) Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Tapoleng JSS	6 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation

	Fence Sporting Facilities Access Road

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

Tienbank JSS	5 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
WARD 11	
SCHOOL	CHALLENGES
HERSCHEL VILLAGE JSS	Danger Zone School Electricity wires fallen out of ceiling Renovation Struck by disaster & nothing has happened since No fence Trees damaging school with roots
EZINTATYANENI SP	Administration Block Sanitation Fence Electricity (upgrade) Mud Structure (2) No play grounds
DIBINKONZO JSS	Sanitation Fence Administration Block and Renovations Mud Structure Sport field
MEHLOMAKHULU SSS	Fence Water & Sanitation Renovations & Administration Block Sports Field

	Furniture for Learners
ST MARYS	Water & Sanitation Access Road Sport Ground School Hall

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

HLANJWA SPS	Administration Block Sport Ground Sanitation Access Roads Mud Structure (2) Fence
MEYI JSS	Mud Structure Sanitation Fence Weak & Faulty Electricity – disaster
MAGUMBU SPS	Sanitation Fence 5 Classrooms cracked all sides Administration Block Weak & Faulty Electricity – disaster Sport Grounds Access road
EBENEZER NYATHI SSS	Sanitation –State of collapse Fencing 2 block (community built) one strongly needs renovation Water Admin Block 3 classroom 1 lab
BAMBOESSPRUIT JSS	Renovations (Whole school) Fencing Sanitation Admin Block Cracked Walls to be fixed Access Roads

	Sport Grounds Furniture Leaking Roof 2 Classrooms Paving Staffing Erection of a Stoep

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 12 (cont.)	
ENTSIMEKWENI JSS	Minor Renovations Flooring Fencing Access Road Sanitation
NYANISO SPS	Flooring Fencing Water School Grounds
MANXEBA JSS	3 Classrooms Water Fence School Grounds to be constructed Furniture
MNCUNUBENI JSS	5 Classrooms Sanitation & Water Fence Access Road Sport Ground
JOZANA' S NEK JSS	Water Playground Access Road Renovation of Ceiling in 4 classrooms Furniture
JOZANA' S HOEK	Major renovations in 8 classrooms & office Security Fence

	Play Grounds Access Road Sanitations
MAGWIJI JSS	6 Classrooms Water & Sanitation Playgrounds Fencing Access Road Furniture
MROBONGWANA SPS	Water & Sanitation Playground Access Road Admin Block Furniture

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 12 (cont.)	
HLOMENDLINI JSS	Water & Sanitation Fence Play ground Furniture
MZOMHLE SSS	Water & Sanitation Access Roads Furniture Playgrounds Administration Block
WARD 13	
KHIBA JSS	6 Prefect classes 4 Mud Structures Flooring Water & Sanitation Fencing Furniture Electricity Admin Block

SKISAZANA JSS	Major renovations Flooring Water & Sanitation Roofing Admin Block Fencing Access Road
LUNGISANI SPS	Access Road Water Fencing Sport Ground
MBONISWENI SPS	Fencing Access Road
WITTERBERGEN SPS	Sport Ground Fencing Access Road Attention to be paid to a query next to school
DIPHANA SPS	Mud Structure Sanitation Fence Admin Block Access Road

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 13 (cont.)	
WITTERBERGEN JSS	Principal' s Office Fencing Sanitation Access Roads Sport Field Roofing
ZAVA SPS	Flooring Sanitation Prevention of soil erosion

NKOPANE JSS	Fencing Major Renovations Water & Sanitation Sport Field
NOMPUMELELO SSS	Fencing Mud Structure Water & Sanitation Sport Ground Access Road
MDLOKOVANA JSS	Mud Structures Sporting Facilities Sanitation Fencing
WARD 14:	
Rossouw was promised a school 3 years ago	Farm schools need attention
WARD 15	
MZONDEKI SPS	No Buildings Water & Sanitation Access Road Play Grounds Fence
SIZAMULWAZI SPS	Sport Grounds 5 Classrooms
SIJORHA SPS	No Buildings Water & Sanitation Access Road Play Grounds Fence

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 15 (cont.)	
LUYOLO SPS	No Proper Buildings Water & Sanitation Admin Block Access Road Play Grounds
SAKAKUDE JSS	No Buildings Water & Sanitation Access Road Electricity Ceiling Fence
IMPUMELELO SSS	No Buildings Water & Sanitation Access Road Play Grounds Fence Electricity
WARTRAIL	Water & Sanitation Play Grounds
MALIKHANYE SSS	Sport Grounds Furniture Minor Renovations Fencing
RHODES PS	School is Prefab Structure Toilets
MOSHOESHOE' s FORD	Structure falling apart School on Private Property
BARKLY EAST DRC P.S	2 Classrooms Science Class Admin Block Grader R Classroom

	Toilets Kitchen Office Plot Ground to build school in Fairview

APPENDIX R

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY: YEAR 0				
All Organisation or Person in receipt of Loans*/Grants* provided	**Nature of Project**	**Conditions attached to funding**	**Value Year 0 R' 000**	**Total Amount committed over previous and future years**
GRANTS PAID	**Grants in Aid**		**R 0**	

APPENDIX T

SECTION 46 REPORT (ATTACHED AS AN ANNEXURE)

PAGES 340 to 452

NOTE: Performance auditing may sometimes prove challenging in that it is most common to adopt a "black or white" type analysis (which is relevant in many instances). "Performance" and the manner in which "performance is assessed" can be challenging all on its own. In this regard there is a need for "grey" on occasion and indeed both the Performance Regulations and the PMS Policy make provision to entertain and to assess a situation based on the "grey" i.e. making allowances for extenuating circumstances/circumstances beyond ones control.

Under these "grey" circumstances it would be possible to score favourably notwithstanding the fact that a target was not met in the strictest sense. As an example: If the target could not be met due to an external factor beyond ones control, the question would be – what was implemented do to make the best of this situation/how did they turn it around/did something else positive come about as a result? In this instance the focus changes from **what could not achieve** (through no fault of his/her own), to **what he/she did achieve notwithstanding** and/or what efforts/innovative action was taken (successful or not)?

When rating performance according to the currently approved PMS Policy, the table below (as per the policy and the regulations) illustrates the "grey factors" that are considered and which will have impact (**and which must be considered** in terms of this policy and the Regulations – **in order to ensure compliance**). In particular, "innovation" and "complexity" are noted. In other words, even when circumstances prevent a target from being achieved 100%, consideration and recognition is required to be made when the incumbent shows that they have used their initiative/innovation to achieve positive outcomes nonetheless. On

this basis they then meet the target in “other ways” **– justifiable of course**. This must be considered and evaluated as a matter of compliance.

VOLUME II

ANNUAL FINANCIAL STATEMENTS

(ATTACHED AS AN ANNEXURE.)

Pdf version will be from page 1 - 116

CHAPTER 1

MAYOR'S FOREWORD & EXECUTIVE SUMMARY

CHAPTER 1:

MAYOR' S FOREWORD & EXECUTIVE SUMMARY

COMPONENT A: MAYOR' S FOREWORD

As we reach the end of our term of office we look back on the past five years (5) with absolute pride and wonderment. So many challenges and despite all odds we rose to the occasion and excelled on so many levels. As Senqu Municipality we grew strong and tall and this was in most part due to the very sound leadership – both political and administrative. Without this interdependence and mutual respect we could never have achieved the heights that we did and this is a lesson to be learned as we look steadfast into our future.

We take a moment to welcome the new Council -- who will take over the political reigns and will steer the municipality into a new era. If we may leave any pearls of wisdom before we depart it will be the importance of nurturing the current relationship enjoyed by both the political and administrative arms. This is a symbiotic relationship and our successes have been due entirely due to the supportive nature of this relationship. To lose sight of this would be to take a giant step backwards. With the wisdom achieved over the past five years (5) we can in truth say that this can be directly attributable to this unique relationship and the commitment and support of all staff.

a. Vision

Senqu Municipality' s vision is stated as follows:

"A unified, people centred, developmental and vibrant Municipality"

It is incumbent upon the municipality to provide appropriate, efficient and economical infrastructure services for all residents. The emphasis is on creating a unified and people centred municipality – where the needs of the community come first in so far as it is possible to provide for identified needs. In every sphere,

infrastructure improvements and creation are of paramount importance and efforts are made to ensure that services are supplied better and more effectively. Service Delivery is the key.

As indicated, the only way to achieve this is through the provision of strong political and administrative leadership. Accordingly appropriate structures are created within both of these spheres through the creation of operational support structures and staff. Efficiency of functioning has been achieved by capacitating staff, management, Councillors and the community; determining community needs through ongoing public participation interventions; improving our internal systems and processes and ways of functioning and by upgrading infrastructure and service delivery in all areas.

Priorities for the IDP (2011 – 2016) are revised annually. IDP priorities for the 2015/16 period are reflected as follows:

- **Recreational facilities** (especially for the youth), are required to be provided in each Ward;
- **Roads projects** are required to be prioritized, particularly where there are no approach roads i.e. in Wards 14, 16, 19 and 10. Emphasis is to be placed on paving roads;
- **Land** (the lack thereof and tenure issues) are to be handled through the expansion of Sterkspruit and the development of Barkly East as a priority issue;
- **Job creation** – it is recognized that within this project it is required that the skills levels of the population are required to be improved;
- These issues will all be resolved in terms of the **JGDM Agri-park** which will be situated in Lady Grey. Wool washing is a primary example of this industry;
- In respect of **Communication and Public Participation** – public participation initiatives are required to be increased. It is acknowledged that network poles and transmitter poles for television are desperately required in most areas; and
- Although some of the following powers and functions technically fall outside of the municipality, the following services are required to be addressed:
  - Water (JGDM)

- Sanitation (JGDM)
- Electricity
- Disaster Management

b. Key Policy Developments

This past year has focused on service delivery and ensuring compliance on all fronts. To this end, appropriate policies have been put in place in order to support related initiatives and ensure compliance.

A number of policies have received focus in an effort to ensure that initiatives achieve desired outputs and so that service delivery improves overall. More specifically the following instances are examined:

- Emphasis has been placed on the implementation of the mSCOA project. This required the establishment of an internal committee that comprised: Directors, Manager, the financial system service provider as well as the provincial treasury. This committee was required to evaluate all technical aspects of implementing the mSCOA project;
- Every effort to achieve compliance in respect of the OPCAR and mSCOA implementation prescriptions was made. Processes have been established in both instances in order to facilitate progress;
- As a result of mSCOA a new organogram was required to be adopted and implemented by Council (1 July 2015). The changes to the functional structure occurred in terms of required need and this effectively resulted in a number of changes and movements of Departments to other Directorates. By way of illustration it is noted that the PMU unit moved from the Technical Services Directorate to the Development and Planning Directorate. While change and movement may be required, the suitability and the benefit of the proposed move is required to be evaluated. Every effort must be made in order to ensure that the move accommodates the appropriate infrastructure, administrative and management support, so that appropriate oversight, direction and support may be given.

- In an effort to improve fleet management, a tracking system has been established and the tagging of drivers has been introduced in order to set up better controls; and
- Continuous efforts are made to improve and focus on:
  - Public Participation initiatives;
  - Mainstreaming SPU related issues (and review of the SPU Plan);
  - Youth Development initiatives;
  - Risk management initiatives;
  - Performance monitoring; and
  - LED initiatives.

c. Key Service Delivery Improvements

Senqu Municipality faces a continuous battle when it comes to ageing/inadequate infrastructure and limited financial and human resources.

Despite these issues, Senqu Municipality has shown itself to be capable of rising above these challenges. Over the last few years Senqu Municipality has received a number of unqualified audits and "Ratings Africa" (who considers the Municipal Financial Stability Index), rated Senqu Municipality as the best performing municipality in the Province during 2014 (previous financial year). During the 2015/2016 period the municipality was awarded the third (3rd) consecutive "clean audit" award with emphasis of matter.

Progress has been made in many areas of service delivery and challenges continue to be experienced.

The following areas are highlighted as requiring focus and improvements are noted overall:

- **Roads** remain a priority especially in terms of the challenge of ensuring quality and sustainable maintenance of roads. In other instances villages have literally "no roads". Activities are underway in order to source additional funding so that roads can be effectively maintained. Politically, it is acknowledged that the municipality is mandated to look at the resurfacing of roads using the job creation projects.

Certain roads were impossible to use and this is particularly disturbing as some lead to hospitals. These issues are being addressed with the Department of Public Works, in the interests of resolution. That being said it must be noted that roads projects (MIG and donor funding) were well utilised and all performance targets were met;

- Land invasion issues continue to be challenging and the allocation of sites to the poor continues to prove difficult. Despite this, negotiations around land have continued and the importance of maintaining and improving relations with traditional leaders, so that these challenges can be effectively managed, continues;
- Efforts are underway to re-generate Sterkspruit and Barkly East by implementing local regeneration plans. Successful re-generation requires the assistance of other external stakeholders;
- Efforts continue to ensure that members of the community (particularly the youth), are upskilled;
- Assistance is required to be provided where at all possible – as a case in point it is recognized that ploughing equipment is desperately needed;
- Commonage management has greatly improved – with the LRAD Farm Programme requiring continued support;
- Hawkers are encouraged to operate legitimately, especially in Sterkspruit where additional stalls are needed. This is required to be conducted correctly and according to stated protocols i.e. whereby the free flow of pedestrian and vehicular traffic is not obstructed and stalls adhere to basic hygiene and aesthetic standards.
- Sportsfields have been developed in accordance with planned maintenance and improvement projects;
- It is acknowledged that while traffic functions are provided, this service would be advanced though the provision of better vehicles;
- Communication services are a challenge and in particular cell phone providers will be encouraged to find solutions to the poor cell phone coverage, the loss of network/dropping calls and the like. This affects business and day-to-day operations;
- Radio stations are to be encouraged to strengthen communications throughout and between communities and the municipality; and

- Every effort will be made to strengthen the functioning of the social and economic cluster.

d. Public Participation

A Public Participation Framework is in existence and its implementation is reported quarterly.

Every effort has been made to identify ways in which public participation may be improved in an effort to involve as many stakeholders as possible in "public participation". The Public Participation Forum was established in 2013 and Ward Committee members, Councillors, members of the LED Forum, SPU and government departments were invited to form part of this process. In addition, Mayoral Imbizos and community information sessions are held regularly. Where possible the Imbizos were combined with the IDP Representative Forum and the local Round Table meetings to save costs.

Efforts to improve the process of encouraging customer feedback culminated in the launch of the Customer Care number. It is unfortunate that this is not used as effectively or as often as planned.

In an effort to improve the ability of Councillors to handle talk shows on radios and to regularly address communities, a Media Capacity Building Training Programme for Councillors took place.

Recognizing the challenges to communicate effectively due to the geographical spread of communities, efforts are made to reach the public via newspapers, broadcasting media (radio), various advertising media and through the use of Community Development Workers and various other forums that are created for this purpose.

e. Future Actions

Moving forward it is clear that while successes are achieved, challenges remain ongoing. In an effort to resolve these challenges it must be emphasised that the following areas will receive particular focus:

- Public participation initiatives;

- Minimization of electricity losses;
- Roads maintenance and construction initiatives in order to minimize extensive challenges;
- Sustainable road and bridge development and maintenance;
- Capacitation of both staff, councillors and the community;
- Economic regeneration plans for each town and related implementation;
- Effective performance management and reporting;
- Land availability, land tenure changes and allocation of sites;
- Paving of sidewalks and roads in towns (job creation initiatives); and
- The development of recreational facilities and the implementation of youth programmes for the Youth; and
- Adherence to local municipal bylaws regarding buildings, business, land and traffic.

f. Agreements /Partnerships

These reflect the formal and semi-formal structures that existed in order to improve all aspects of functioning such as: MUNIMEC, DIMAFU, IGR and the like.

Agreements continue to be entered into with the appointed Service Providers who are then evaluated in accordance with the recognized service provider' s assessment processes. The JOGEDA (recognized Development Agency) that is used to boost tourism in the area is effective in ensuring that tourism objectives are prioritized.

Agreements with DSRAC (libraries), Department of Roads and Public Works are examples of other agreements entered into nationally in order to ensure that services are provided effectively.

Conclusion

I am delighted to present to you the Annual Report for 2015/2016.

As we end this year of both great achievements and our fair share of challenges I remain committed to the conviction that moving forward, the political and administrative leadership must continue to work closely together. It is only

through this cooperative effort that the political mandate and the provisions of the ANC manifesto will be met.

Continuous improvements are necessary, inter-governmental relations must be improved, the socio-economic cluster must be strengthened, relationships with other government departments must be fostered and all parties must work hard to make Senqu and its community achieve desired objectives.

In closing, my thanks and appreciation must go to the Speaker, our Chief Whip, Exco Council, the Municipal Manager and all staff. With your hard work – so much has been achieved!



N Y MTYALI
MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

The 2015/2016 financial year has seen many challenges. In an effort to resolve these challenges, the staff, management and political heads are required to unite.

a. Alignment of service delivery priorities

Service delivery may be examined from its point of initiation and accordingly, in terms of the 5-year Integrated Development Plan. This plan is reviewed annually and the strategic objectives are translated into an annually reviewed document that informs the strategic direction of the organization. Strategic objectives are set for each current financial year and these IDP objectives in turn inform the strategic direction of the organisation.

Every effort has been made to ensure that the prioritized strategic objectives are indeed met. In order to do so, the IDP and Budget Process Plan for 2015/2016 were developed and approved. This was implemented according to the required targets and this ensured that all steps in the related process would be followed.

The Service Delivery and Budget Implementation Plan was developed and aligned to both the IDP and the Budget. Stated targets were translated into the performance targets of the s56 managers, whose targets will ultimately be translated further throughout the organisation. In this manner the achievement of the IDP objectives was made possible. In terms of compliance, the predetermined objectives were included and reported on. Emphasis as always remained with the service delivery priorities – ensuring that these were adequately addressed.

Issues in respect of these were highlighted within public participation meetings. The Public Participation Framework was developed and applied effectively.

Service Delivery and specifically its priorities, are required to be identified within public participation type meetings and these occur according to the IDP Process Plan and related others.

The Presidential Hotline, Mayoral Imbizo' s, surveys, MPAC, Council, Mayoral meetings and the like, are all mediums in which public participation is encouraged and used in order to facilitate the creation of a "peoples municipality" – where stakeholders are given a voice and are able to enjoy effective interaction with the organization. These mediums were all well utilized in order to ensure that the required levels of public engagement and feedback were achieved.

Every effort continues to be made to address service delivery issues and by so doing, priorities are addressed timeously.

b. Service Delivery Performance

Historically, challenges have always existed regarding old and ageing infrastructure, while acknowledging lack of sufficient financial resources in order to adequately address the issues at hand.

Despite limited resources, a number of achievements and challenges are noted and reflected as follows:

- Electricity distribution losses have escalated dramatically and are above the accepted escalation norm of 10%. Electricity distribution losses have escalated from 13.95% during 2015 to 16.76% during 2016;

- It is noted that the Supply Chain Management (SCM) process flow has greatly improved and the scheduling of meetings has resulted in improvements in the SCM turnaround time. Despite these improvements it must be noted that this is an issue that must continuously receive focus and is directly dependent on the performance and behaviour of all departments and directorates – who are required to manage their own related SCM processes correctly and efficiently in order to expedite action and avoid unnecessary delays and matters of irregularity;

- Job Creation Projects have related to projects designed to meet service delivery objectives. **Job Creation is now termed EPWP** and EPWP projects relate to: Street Cleaning; Pothole repair, Waste Management, Refuse Removal and Grass Cutting

- **Expanded Public Works Programmes** are required to be informed by the need to meet specific projects and to assist with the achievement of service delivery objectives and targets. Challenges continue to be experienced with processes involving the manner in which these are staffed and statistics are maintained. In order to resolve these it is suggested that a policy is implemented and the number of people employed should be recruited and appointed by the Corporate Services Directorate;

- The Spatial Development Framework (SDF) was historically a shared responsibility that existed between the IDP unit and the Town Planning unit. In terms of this there were limited dedicated resources for the SDF function during the 2014/15 and during the current financial year. Despite this and due to the non-responsiveness of tenders, it was advertised twice. Currently a service provider has been appointed to assist the municipality to review the SDF and Land Use Scheme, in terms of SPLUMA (Spatial Planning and Land Use Management Act). It is noted that the SDF has been finalised and is awaiting Council adoption. The SPLUMA bylaws were adopted by Council and promulgated in the government gazette on 13 June 2016.

- Improvement had been required regarding the Roads Master Plan and the Roads Maintenance Policy was required to be developed and implemented

appropriately. The 2016 period has seen effective use of MIG funding and the achievement of stated targets. MIG and donor funding are both well utilized and continue to contribute extensively towards the upliftment of the community;

- Fleet management is being more effectively controlled by the introduction of a tagging and tracking system;
- Training is occurring in terms of the WSP;
- Staffing at the senior levels presents as a concern, especially as it has been recognized that continuity of functioning and retention of desired skills is necessary in order to keep the municipality functioning at an optimum level. To this end it is noted that the contract of the Municipal Manager has been extended for a period of two years and the contract of the Chief Financial Officer expires 30 November 2016. Appointment of the right calibre of staff to this post is critical if the financial health of the organization is to be secured. The impact of a poor appointment and failing to ensure continuity and the development of appropriate skills basis will lead to the downfall of the organization and must be taken into account and treated seriously;
- Improvements have been noted in respect of performance management. The Performance Management process is now being rolled out to the level of middle management. The policy is reviewed annually and the review will take into account proposed changes to phase in roll out of implementation to lower levels (below middle Management. This will be considered by Management and LLF in the new financial year. These must be approved and implemented as detailed;
- mSCOA compliance is progressing well overall and this is particularly commendable as Senqu Municipality represents the mSCOA pilot project for the Eastern Cape;
- In respect of strategic budgeting model Senqu Municipality were accoladed and as result Senqu Municipality' s model is are being used nationally as the standard.

- Operation Clean Audit has been exceptionally well achieved and a Clean Audit was achieved in the current financial year 2015/2016 – for the 3rd consecutive financial year. Maintaining this status ongoing becomes our new challenge;
- It is noted that there has been an increase in irregular, unauthorised and wasteful expenditure. The increase in irregular expenditure has been due to deviations from Supply Chain regulations and policies. This needs to be more effectively controlled and managed;
- While policies are updated regularly although finances at times impact on the ability to do so regularly. The municipality has documented and approved internal policies and procedures to address planning, implementation, monitoring and reporting processes and events pertaining to performance management and financial reporting.
- The municipality appointed a consultant to look holistically at all current municipal by-laws. This is a process that is still being implemented;
- The record management of the municipality was satisfactorily implemented in terms of its policies and procedures; and
- Waste is collected in terms of required delivery.

c. Financial Health

Senqu Municipality has illustrated its ability to successfully achieve financial health and sustainability. Senqu Municipality received an unqualified audit report for 5 consecutive years. During the past three consecutive years (2015/2016 being the most recent), Senqu Municipality has achieved a Clean Audit Report. In addition, Senqu Municipality has been rated by Africa Rating as the top financial performer in the Eastern Cape.

A positive cash flow is enjoyed and Debt Management has improved tremendously – although due to demographics this remains a challenge. Regular financial reporting occurs in terms of compliance and operational reporting.

d. Efforts to conserve power

Plans to provide indigents with free alternative energy sources have not been entirely successful and targets and provision of this has not occurred as planned. This must receive priority moving forward. Solar power continues to be considered more often and Eskom' s national rebates have encouraged members of the community to utilize solar energy.

e. Administrative Policies

The annual review of policies has occurred and these comments are detailed within this report. Policies are formulated in order to ensure that the organisation functions effectively according to legislative prescripts and to ensure that all parties have a good understanding of what is required of them in order to remain compliant.

In this manner, staff can be managed effectively, Human Resources Management can be effectively applied, the manner of operation can be clearly executed and evaluated and performance optimization will be facilitated.

Conclusion

In concluding I am to thank my team of dedicated management, staff and Councillors – who have worked so tirelessly and with absolute commitment, to ensure that we continue to work towards achieving greater success. The retiring Council has left a legacy of commitment to the task and ensuring results despite personal misgivings. We need to continue to strive towards achieving a legacy and a work ethic of which we can be proud – facilitating the effectiveness of functioning and sustainability of the organization.

I trust and hope that our new Council will see the value of a close relationship between the political and administrative realms. I look forward to establishing strong working ties and an excellent work effort with a strong and supportive team.



M M YAWA
MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

Introduction to Background Data

This chapter will reflect on the geographical area and context in which Senqu Municipality exists. The demographics of the population will be examined. In this manner, insight into the challenges and situations faced by Senqu Municipality will be obtained and must be considered when determining context at every level.

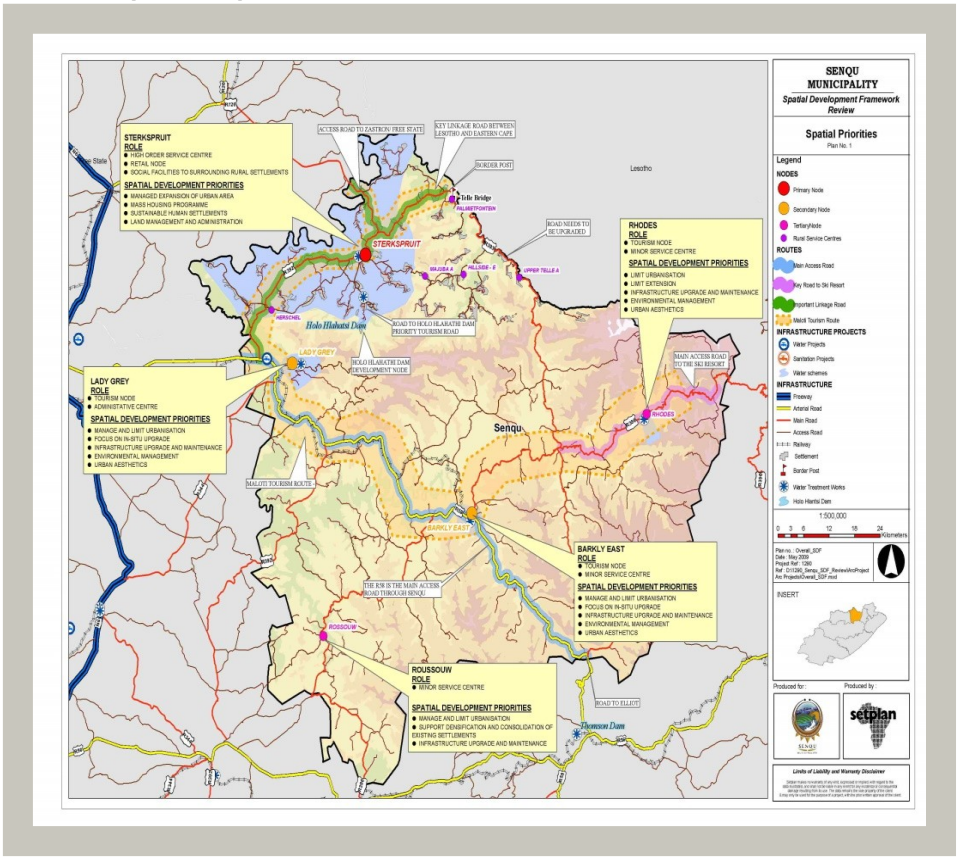
Geographical Context and Overview of the Municipality (as reflected within the IDP 2011-2016 and updated 2015/2016)

Senqu Municipality was established after the amalgamation of the following Local Authorities and towns:

- Lady Grey (including Transwilger and Kwezi Naledi);
- Barkly East (including Nkululeko, Fairview and Lulama Hlanjwa);
- Sterkspruit;
- Rhodes (including Zakhile), Rossouw; and
- Portion of Wodehouse (Dordrecht) and Indwe.

The Senqu area also covers commercial farms and villages of the former magisterial districts of Barkly East, Rhodes, Herschel, Lady Grey and Sterkspruit and portions of Wodehouse (Dordrecht) and Indwe.

The Senqu Municipal District



Senqu Municipality is the largest Municipality within the Joe Gqabi District Municipality. It spans an area of 6 772km squared. It borders the Eastern Cape Province and Lesotho. It has beautiful mountains and beautiful rivers to lay claim to, and with many game-fishing opportunities the potential for tourism within the area is an opportunity that requires nurturing. Elundini and Sakhisizwe Municipalities are in the south of Senqu Municipality and in the west is Maletswai Municipality. To the north is the border between the Eastern Cape Province and the Free State Province. The R58 and R392 are the key transport routes through this Municipality and these then link to the N6 at Aliwal North.

The municipality has three urban nodes viz. Barkly East, Sterkspruit and Lady Grey with Sterkspruit displaying the highest population growth rate. The rest of the municipality is characterised by small villages and communal and commercial farming land.

In examining the background detail, due cognizance must be taken of the efforts made by Senqu Municipality to satisfy basic service delivery requirements, while facing the many challenges as detailed further.

Demographic Overview: Senqu Municipality (as reflected in the 2011/2016 IDP and reviewed 2015/2016)

- Senqu Municipality consist of 3 main towns i.e. Lady Grey, Barkly East and Sterkspruit.
- **Population figures**: 2011 Statssa reflects 134 150 as compared with the Statssa, Census 2001 population figures of 135 141. This represents a decrease in the population (attributed to migration – the move to seek jobs and schools and increased urbanisation as a result).
- **Population density** 16.12 persons per km^2. The majority of the population still reside in rural areas as opposed to urban area. This includes rural villages and farm households.
- **Household numbers** have increased from 33 904 (2001) to 38 046 (2011) - due to urbanisation and increased participation in world economy.
- **Average unemployment rate** of those **actively looking for employment**, as per the Community Survey (2011) is 35.5% the official definition of unemployment as per the IDP reflects that more than one third (30.34%) of the economically active group in Senqu is unemployed, while the district average is 23.54%.
- **Unemployment** in Senqu (when **including those not actively seeking for work**), is as high as 65% compared to 54% and 48% for the District and Eastern Cape respectively.
- The **dependency rate** is 71.4% (STATSSA, 2011).
- **Income (2015/2016 IDP) :**
  - 50.25% of the households earning no income at all;
  - and 21.39% earning between R1 and R1600 per month,

- almost two thirds of Senqu households are indigent. Of these, more than one quarter of households (6134) earn R400 or less per month. 50.25% of the households earn no income at all.
- 21.39% of households earn between R1 and R1600 per month.
- Almost 2/3 Senqu households are indigent. More than ¼ households (6 134) earn R400 or less per month.

– NOTE: This is indicative of Senqu's low economic base, a factor that makes it less attractive to investors. This has negative repercussions for the economy and the municipality as more and more people cannot afford to pay for their livelihoods and services

- Senqu experienced **positive economic growth** between 2000 and 2010, but the economy has been unable to create meaningful benefits for the poor. The **poverty rate** is 62.93% (much higher than the provincial average of 53.61%).
- 70 % of households live in a **formal dwelling** and 68.5 % **own their own dwelling.**
- The **average household size** has dropped from 4 in 2001 to 3.5 in 2011.
- The municipality has a very **high youthful population** which requires a **high need for employment, secondary and tertiary education** in the region. Tertiary opportunities are offered outside the region.
- The **traditional employment opportunities in agriculture and the commercial sector for low skilled workers do not appeal to the better educated** youth.
- Senqu is a poor area with:
  - High levels of service backlogs;
  - Poverty;
  - Unemployment;
  - A very small tax base to pay for services;
  - Limited skills base; and
  - Reliance on public sector employment.

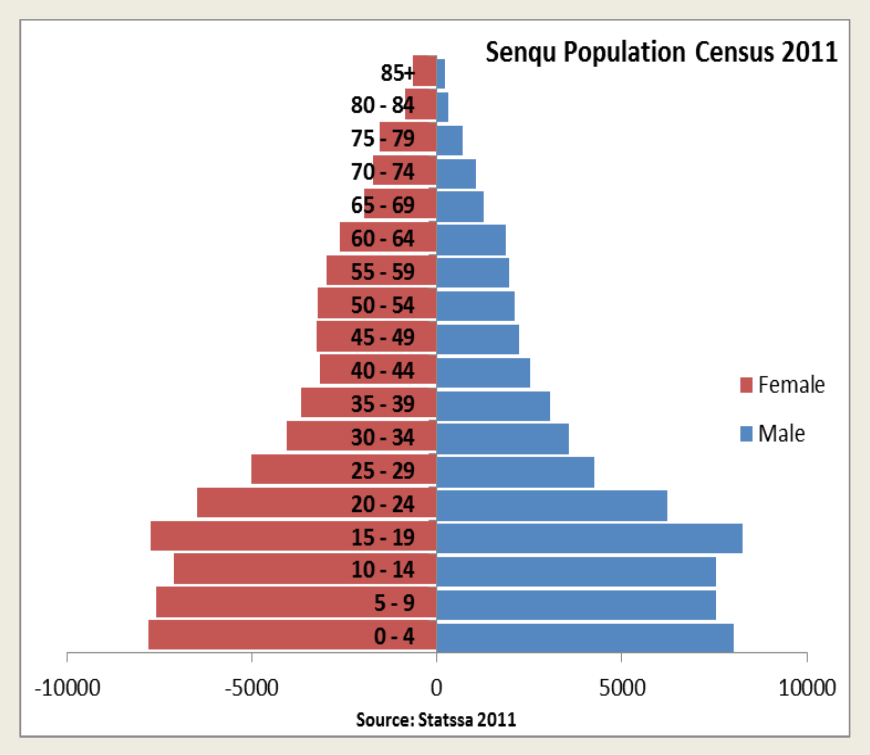
NOTE: The Municipality disputes the accuracy of the figures relating to the population, due to the scattered and mountainous terrain of the municipality, the rural population was not adequately accounted for in the census.

- **Population Figures & Gender**

  The table below (taken from the 2011-2016 IDP) reflects that:

  - Approximately 34 % of the population falls below the 15 year age group. This is a drop of 4 % from 2001.
  - 58.3 % of the population fall within the 20-65 age group. This is the economically active sector of the population (STATSSA census 2011). This suggests continuing population growth in the area with a need for educational facilities and a focus on education and skills training (SDF 2011).
  - The age group 65 and above has grown slightly from 7.5 % (2001) to 7.7 % (2011). The percentage of the dependant population and elderly is just over 40 % which should indicate that the population is able to support itself. This is borne out by the fact that the dependency ratio has dropped from 83.5 % (2001) to 71.4 % in 2011.

Senqu Municipality Population & Gender Tables (2015 – 2016 IDP)



As detailed within these diagrams the overall male to female ratio is 45% male to 55% female. This situation has resulted due to the migrant and commuter labour which has resulted in many women acting as the head of the household while the chief breadwinner lives away from home.

Service Delivery Challenges

A number of Service Delivery challenges appear to exist and these are reflected generally as follows:

- **Electrification & Telecommunication**

These networks are inadequate and poor quality is experienced in many areas. A great deal of electricity leakages/losses are experienced and needs to be addressed.

- **Waste management**
- This continues to remain a challenge and is characterized by insufficient staff and old vehicles that constantly break down. Waste sites are poorly maintained and recycling efforts remain limited due to financial constraints.
- **Environmental Aspects & Challenges**

  Service delivery within this area is poorly provided due to limited financial and human resources provision. This makes it extremely difficult to enforce by-laws. As a direct consequence, many town planning by-laws are broken and illegal land invasion occurs regularly. The greatest challenges faced in terms of environmental issues **include** the following:

  – **Alien vegetation**. The municipality struggles with crack willow which grows along the Kraai river and sucks up litres of water;
  – **Firewood collection**. Persons collect firewood indiscriminately breaking down trees. In addition the indiscriminate burning of grasslands creates air pollution and loss of biodiversity. It is impossible to determine the extent of air pollution as the municipality does not have **an air quality management plan** as it is not a licensing authority
  – **The location of dipping tanks**. Many of these dipping tanks are located near streams which can poison water supplies
  – **Borrow pits** which are not adequately rehabilitated
  – **Drainage culverts placing**s can either hinder or promote gulley erosion

- The **waste water treatment works** at Lady Grey are only 200 m from a farm dam which could contaminate the water supply. The waste treatment works in Sterkspruit are inadequate for the need and frequent sewerage spills occur into the Sterkspruit River. The Barkly East sewerage ponds are located adjacent to a wetland and contamination could kill many animals. The proximity of waste water treatment works at both Lady Grey and Barkly East to rivers poses a risk as they could be susceptible to potential flood damage
- **Soil erosion** which is the highest in the JGDM due to marginal soils being utilised for inappropriate agricultural practises.
- **The registration and management of solid waste disposal sites –** as these are not all licenced
- **Lack of recycling** at waste sites
- **Burning of waste and inadequate collection of waste leading to illegal dumping**.
- **Lack of capacity**, both financial and human to act on environmental issues
- **Lack of capacity** to implement environmental by-laws
- **Inappropriate land and hygiene practises** leading to increased sedimentation and entrophication and pollution of fresh and groundwater sources.
- **Increased invasion by alien and undesirable species** like Slangbos and blue bush near Lady Grey. Limited protection of environmental sensitive areas
- **Poor and crumbling sanitation infrastructure** (JGDM Environmental Management Plan 2011)

Limited financial and human resources makes it extremely difficult to control the environmental factors.

- **Access Roads & Bridges**

  Access roads and bridges in the rural areas are generally of a very poor standard, due to the lack of maintenance and staff. It is also noted that rural people struggle to access services due to these factors and especially during the rainy period when the roads become impassable and flooded. Access to clinics and schools remains a challenge as people still have to walk long distances and the quality of the service is limited.

Concluding Statements: Demographics

- Population studies have indicated that Senqu is characterized as having a youthful population with low skills and high unemployment. There is there for a high need for tertiary and secondary education;
- The majority of the population lives in rural villages and relies on social grants;
- By far the majority of the population are black Africans;
- There is high migration to the more urban centres inside and outside the municipality for employment and educational opportunities;
- The high out migration to areas outside the municipality has an annual season with persons returning for the Easter and Christmas holidays;
- Senqu has an exceptionally low rate base; and
- There is a corresponding need for infrastructure and social services due to the high number of indigent people. This means that there is a risk that the equitable share contribution will remain insufficient to provide basic services as set out in the Constitution.
- Agriculture and Tourism as the major economic drivers of the local economy;

- Tourism reflects as a key potential economic sector, and economic driver, particularly with the inclusion of the country's only ski resort, Tiffendell; and
- Senqu is characterised by scenic beauty, hiking and wildlife attractions and trout fishing.

Natural Resources

NATURAL RESOURCE	
Major Natural Resource	**Benefit / Potential**
Mountains	Beautiful scenery (adventure and agricultural tourism
Wind	Off grid and cleaner sources of electricity from wind
Rivers	Game fishing and tourism

1.3 FINANCIAL HEALTH OVERVIEW

NOTE: a broad overview is provided.

- Senqu Municipality is in receipt of a clean audit with emphasis of matter for the current financial year (2015/2016) this is for the third consecutive year;
- Senqu Municipality was ranked by Africa Rating as being the number one (1) financial performer of local authorities within the Eastern Cape;
- The municipality's liquidity is considered to be relatively sound as the current ratio by far exceeds its short-term obligations;
- Assets and liabilities are well managed;
- This municipality is acknowledged as paying its creditors within 30 days, as is stipulated by the MFMA (except in situations where there have been disputes between the Municipality and the creditor);
- Employee costs have been underspent due to the vacant funded posts that have not yet been filled;

- One of the greatest challenges facing Senqu Municipality remains its high levels of outstanding debt (affecting cash flow directly). Strict credit control measures have been executed (as per Credit Control Policy and By-Laws) in order to ensure that this situation is effectively managed;
- Reporting to National Treasury in respect of performance reporting is being well achieved within the prescribed periods;

As an overall assessment the following indicators are highlighted:

- Capital charges to Operating Expenditure : 23%
- Liquidity: 7.8
- Outstanding debtors to Annual Revenue : 12%
- Creditors to cash: 9%
- IDP regulation financial viability figures:

Debt Coverage	1720%
Outstanding Service Debtors:	6%
Cost coverage:	17 months

1.4 ORGANISATIONAL DEVELOPMENT OVERVIEW

Organisational Development Performance

Reference is made to Chapter 4 as this issue is dealt with and reported on extensively in this section.

Introduction to Employee Personnel

In this instance reference is again made to Chapter 4.

Human Resources Management is well managed overall. Overall and certainly in terms of staffing it must be noted that:

- Staff have been appointed according to the Recruitment and Selection Policy and in accordance with the Employment Equity Plan;
- All staff are in possession of job descriptions and these have been written according to the TASK system of Job Evaluation;
- A new organogram was approved 31 January 2015 (previous financial year), resulting in a number of amendments to align the staff establishment to the new Standard Chart of Accounts. All changes as per the approved organogram came into effect as from 01 July 2015. The annual review of the organogram will be completed by March 2016.
- Skills Retention remains a challenge, especially due to the geographical location of the municipality (rural nature) and the inability to offer competitive salaries;
- Council experiences scarcity of skills and as such a Scarce Skills Policy was adopted in the previous financial year (29 September 2014). The implementation of this policy is hampered by budget constraints; and
- Staff capacitation remains of critical importance and the development and the implementation of the Workplace Skills Plan ensures this occurs in a planned manner.

Managing the Municipal Workforce

As will be detailed further within this report it must be noted that numerous and varied efforts have been made in order to ensure that the municipal workforce is well managed. A strong administrative support structure has been created in order to facilitate this process. More specifically, it is noted that:

- Policies and procedures have been put in place, not simply as a matter of compliance, but to ensure that the manner in which work is performed occurs under guidance and with fairness to both the employer and employee. Funding constraints are the greatest challenge experienced when attempting to ensure that this occurs;

- An approved performance management policy is in place and this has been reviewed to include implementation at the level of s56 managers and all middle managers that report to the s56 managers. This policy will ultimately be cascaded throughout the organization;
- OHS Committees have been formed and are functional. Every effort is being made to ensure that safety in the workplace is improved;
- Policies implemented may be grouped within the areas of Labour Relations, Safety and Human Resource Management; and
- Risk is managed through the establishment and implementation of a Risk Plan.

Capacitating the Municipal Workforce

Overall this is well achieved and may be a reflection of the following actions being taken:

- The development of the Workplace Skills Plan (aligned to the IDP performance objectives) and based a formal Skills Audit;
- The appointment of a Skills Development Facilitator during the current financial year in order to facilitate this process and function;
- The implementation of the training plan and reporting in terms of the implementation plans; and
- The development and approval of a training policy and study bursary policy (used to optimize the knowledge and skills of human resources within the organisation).

Managing Workforce Expenditure

Very strict protocols exist in an attempt to ensure that workforce expenditure is managed effectively and correctly. Protocols are in place to ensure that any changes to the payroll are checked and audited, prior to any change being sanctioned.

Failure to ensure that all controls are instituted will result in a greater degree of inaccurate data and an inability to identify and remedy any discrepancies between systems.

1.5 AUDITOR GENERAL' S REPORT

Auditor General Report: Year 2015/2016

Report of the auditor-general to Eastern Cape Provisional Legislature and the Council on Senqu Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Senqu Municipality set out on pages 1 to 116 (attached as an Annexure) which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officers' responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2013 (Act no. 56 of 2003) and the Division of Revenue Act, 2014 (Act no. 10 of 2014), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general' s responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the

financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Senqu Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Irregular expenditure

8. Irregular expenditure of R802 630 as disclosed in note 45.3 to the financial statements has been incurred in the current year due to deviations from supply chain regulations and policies. Disciplinary processes have been initiated with regard to this expenditure.

Permits for landfill sites

9. As disclosed in note 54.1 of the financial statements, the municipality does not have a permit or license for all of the landfill sites currently in use and could be liable for a penalty in terms of the Environmental Conservation Act, 1997 (section 24G).

Material losses

10. As disclosed in note 45 to the financial statements, the municipality incurred distribution losses relating to relating to electricity of 16.7% (2015: 13.95%). The percentage disclosed for material losses is above the acceptable range.

Implementation of MSCOA introduced by National Treasury

11. As disclosed in note 41 to the financial statements, the municipality complied with mSCOA regulations on 1 July 2015. There were items reclassified in the statement of financial performance to ensure compliance with mSCOA regulations. These items do not constitute a prior year error in terms of *GRAP 3 - Accounting Policies, Estimates & Errors*.

Restatement of corresponding figures

12. As disclosed in note 32 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during 2015-2016 financial year in the financial statements at and for the year ended 30 June 2015.

Additional matter

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary information

14. The supplementary information set out on pages 359 to 457 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

15. In terms of section 125(2) (e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected programme presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programme presented in the annual performance report of the municipality for the year ended 30 June 2016:

    - Programme 1 - Basic Services and Infrastructure on pages x to x

18. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).

19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:

- Programme 1 - Basic Services and Infrastructure on pages x to x

Additional matters

21. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

22. Refer to the annual performance report on page(s) x to x; for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Basic Services and Infrastructure programme. As management subsequently corrected the misstatements, I did not identify any material findings on the reliability of the reported performance information.

Unaudited supplementary schedules

24. The supplementary information set out on pages x to x does not form part of the annual performance report and is presented as additional information. I have not audited these schedule(s) and, accordingly, I do not report on them.

Compliance with legislation

25. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

26. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. I did not identify any significant deficiencies in internal controls relating to leadership and governance. However, the lack there is a lack of credibility of performance reporting during the year and accordingly internal controls over performance management is not adequate

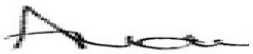
Other reports

27. I draw attention to the following engagement that could potentially impact on the

municipality's financial, performance and compliance related matters. My opinion is not modified in respect of this engagement that is in progress.

Investigations

28. An investigation is being conducted by the Directorate for Priority Crime Investigation (Hawks) into allegations of fraud against the municipal manager relating to costs paid on his behalf during his relocation to Lady Grey. The Office of the Public Protector is also investigating this matter. At the date of this report these investigations, which relate to prior years are still in progress.



AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

1.6 STATUTORY ANNUAL REPORT PROCESS

ANNUAL REPORT PROCESS TABLE		
No.	**ACTIVITY**	**TIMEFRAME**
1.	Consideration of next financial year's Budget and IDP process plan. Aside from legislative content, this process plan should conform with in-year reporting formats so that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2.	Implementation and monitoring of approved Budget and IDP commences (in-year financial reporting).	
3.	Finalisation of the 4th quarter report for previous financial year.	
4.	Submission of the draft year's Annual Report to Internal Audit and Auditor-General	
5.	Municipal entities submission of draft annual reports to Municipal Manager	
6.	Consideration by the Audit/Performance committee of the draft Annual Report of municipality and entities (where relevant)	August
7.	Tabling by the Mayor of the unaudited Annual Report	
8.	Municipal submission of draft Annual Report (including	

	consolidated annual financial statements and performance report) to Auditor General	
9.	Annual Performance Report submitted to Auditor General to be provided as input into the IDP analysis phase	
10.	Auditor General auditing of Annual Report, including consolidated Annual Financial Statements and Performance data.	September – October
11.	Municipalities receiving and starting to address the Auditor- Generals comments	November
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
13.	Audited Annual Report is made public and representation is invited	
14.	Oversight Committee assesses Annual Report	
15.	Council adopts Oversight report	December
16.	Oversight report is made public	
17.	Oversight report is submitted to relevant provincial councils	
18.	Commencement of draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January

Comment on the Annual Report Process

The table defines the deadlines that were required to be met in order to ensure that all required reporting occurs timeously and correctly and that correct and accurate consolidation is possible. In this manner it is ensured that the Annual Report remains aligned to all other strategic documents.

The Annual Report details the annual review of performance for the entire year. This represents a critical review that will be used as a basis for forward planning. Accuracy of data is imperative and alignment between the IDP, SDBIP, Budget (AFS) and the Annual Report is required.

All information presented within the Annual Report is required to be verified and validated. This is ultimately achieved through auditing internally and externally. By validating data and verifying the accuracy of the said data, the Annual Report can be used to inform the IDP review, organogram, SDBIP' s, SDBIP performance planning, Budget and the like, for the year that follows. In detailing performance, this report is required to reflect the comparisons between the current, past and planned future performance. Maintaining the integrity of all data becomes of paramount importance.

As this remains a public document that is required to be open to scrutiny and comment, efforts to obtain public/stakeholder comment must be made formally and this document must be presented in the appropriate and recognized manner and data is required to be detailed in accordance with required aspects of compliance. Various drafts are required to be submitted timeously. The development/compilation of the Annual Report is an extremely time consuming process and if this is not undertaken in a structured and coordinated fashion, the timeous and successful achievement of this report will be severely compromised.

Whilst highlighting successes, challenges and distinct progress in all areas of service delivery, the Annual Report of 2015/2016, provide a record that clearly illustrates the progress, growth, and development of municipal services and performance of Senqu Municipality, for the period under review. Notwithstanding and as already indicated there is no absolute way to be completely accurate regarding all statistics and data provided which formed the basis of this report. This remains an on-going challenge to be improved on year for year.

DISCLAIMER:

The information provided within this report is reliant on the information provided by the various Directorates. Difficulties in validating data continue to be experienced. The accuracy of all information provided cannot be assured.
As this is the first draft of this report, it is understood that certain information is still lacking of the information provided, this has not yet been fully verified. The information is thus being presented with the full knowledge that certain of the detail provided might not reflect the required levels of accuracy. These will be amended in the subsequent draft in March 2017. It is further noted that every effort has been made to align reporting to the information contained within other strategic and reporting documents.

In instances where information is found to be lacking or inadequate you are hereby advised that the coordinator of this report has only been able to work with the information provided.

CHAPTER 2

GOVERNANCE

CHAPTER 2: GOVERNANCE

Introduction to Governance

Governance is examined under the following four (4) components:

Component A: Political and Administrative Governance
Component B: Intergovernmental Relations
Component C: Public Accountability and Participation
Component D: Corporate Governance

The manner in which each component functions will impact on organizational operational effectiveness. Effectiveness within each component is necessary while recognizing the need for a high degree of interaction and interdependence.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Introduction to Political and Administrative Governance

This component is responsible for the political and administrative frameworks (both internally and externally) – providing related policy, structures (political and administrative), procedures and compliance prescriptions overall, which ensure that operations occur in a sound and effective manner. In this manner, efforts are made to meet community needs in an ordered and structured manner, while ensuring high levels of efficiency and effectiveness while doing so.

The organizations operational focus is determined by the organizations strategic direction, which in turn is determined and aligned to the IDP objectives. These objectives are effectively translated into the performance targets that are reflected within the SDBIP. These targets are then translated into operational and management targets within the relevant performance scorecards. This system facilitates that performance targets will be monitored and met over a designated period of time in the manner prescribed. The successful achievement of these objectives is dependent on the available resources i.e. operational, human and financial.

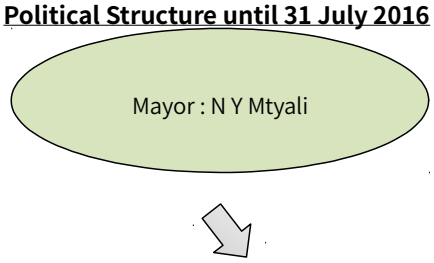
The **political arm** exists in order to advocate and protect the needs of the community – facilitating the possibility of a better quality of life for all. Communication and involvement of the community in decisions, gives new meaning to the concept of a "people-centred government". The **administrative arm** is required to ensure that there is sufficient infrastructure (human capital, resources, policies and procedures) in order to ensure that the strategic objectives can be met through effective management and control of operations, service delivery and matters of compliance. In this manner a supportive and administrative role and function is provided.

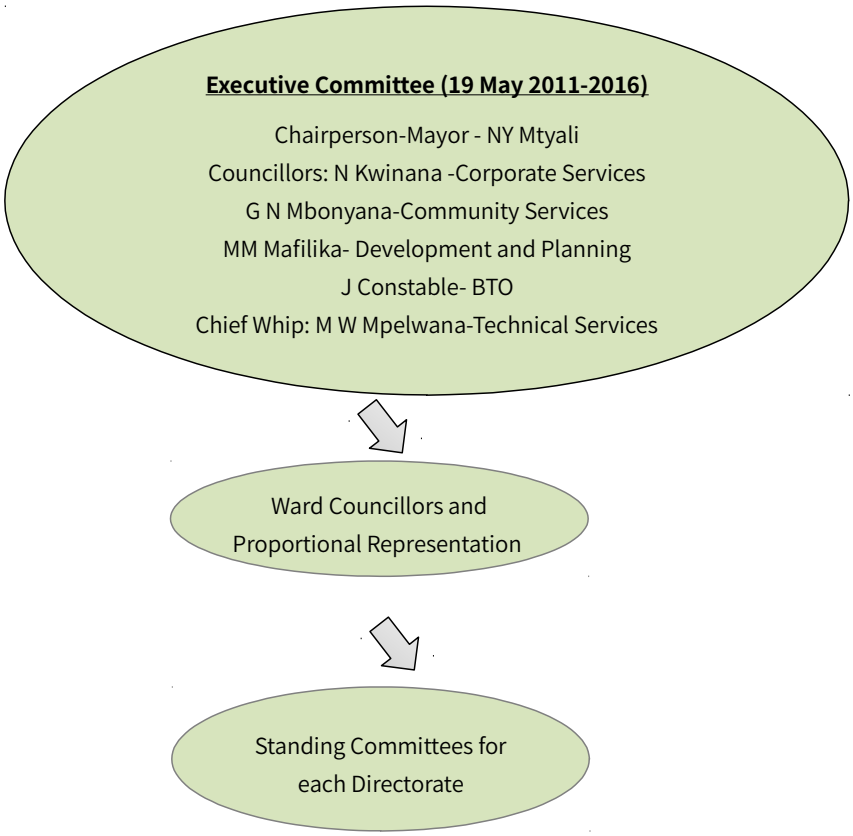
2.1 POLITICAL GOVERNANCE

Introduction to Political Governance

A **Council Executive System** is to be found within Senqu Municipality (as per the Municipal Structures Act, Act No. 117 of 1988). To this end, it is a democratically elected Category B municipality with a structure that is categorized by elected Ward Councillors and Proportional Representative Councillors as reflected below.

Political Structure until 31 July 2016




Executive Committee (19 May 2011-2016)
Chairperson-Mayor - NY Mtyali
Councillors: N Kwinana -Corporate Services
G N Mbonyana-Community Services
MM Mafilika- Development and Planning
J Constable- BTO
Chief Whip: M W Mpelwana-Technical Services
Ward Councillors and Proportional Representation
Standing Committees for each Directorate

Councillors are allocated to Standing Committees that meet monthly in order to discuss and investigate issues raised so that formal decisions can be made regarding the presenting issue/s and so that appropriate recommendations can be made to Council for final approval where necessary.

Councillors

Appendix A: Full list of Councillors (including the Committee allocations and attendance of Council meetings).

COUNCIL is comprised of 37 Councillors (Ward Councillors and Party Representatives) and this is reflected as follows:

Councillors

Appendix A: Full list of Councillors (including the Committee allocations and attendance of Council meetings).

COUNCIL is comprised of 37 Councillors (Ward Councillors and Party Representatives) and this is reflected as follows:

Party Representatives: 13 x ANC Party Representatives
2 x DA Party Representatives
2 x PAC Party Representatives
1 x UDM Party Representative

Ward Councillors: 19 Ward Councillors

Administrative responsibilities of Councillors/Council

- Political decisions are taken regarding service delivery;
- An oversight role in respect of Council is provided;
- Attendance of Council meetings (quarterly) and Special Council meetings (convened to address urgent issues – requiring urgent attention/action);
- To comply in terms of Chapter 3 of the Municipal Systems Act, (Act No. 32 of 2000). In this regard, the executive and legislative authority of a municipality lies with the Council and Council is required to take all the decisions of the municipality subject to s59;
- Executive Committee meetings are convened monthly and are constituted as follows: the Mayor, Political Heads of Standing Committees and the top management of the municipality; and
- Standing Committees meet in order to discuss or recommend that certain actions are taken by the Executive Committee or Council. These committees are chaired by the Portfolio Councillors who form part of the Executive Committee members. The other members are Councillors, who are elected by political parties, traditional leaders and the administration.

Committees of Council (Standing Committees, MPAC, Traditional Leaders, Ward Committees et al)

Appendix B: The committees applicable to Councillors and their purpose.

Standing Committees

- 5 Standing Committees are functioning and correspond with the 5 Directorates;
- Committee meetings are held monthly as scheduled;
- Information and recommendations from these are submitted to the full Council, for consideration; and
- All Councillors are required to serve in the Standing Committees with the exception of both the Mayor and the Speaker.

The role and function of the Standing Committee is to ensure that the process of informed decision making is facilitated. Councillors who serve on these Committees become more knowledgeable about the directorates with which they are linked. In this manner and with heightened knowledge they are able to make more informed decisions regarding the challenges and operational issues facing the directorate in whose committee they serve. When issues are referred to full Council, they are able to contribute at a higher level and guide discussion in a helpful, positive and insightful manner. In this manner, decision making abilities are greatly improved and decisions made are regarded as being "informed decisions".

Approved & functioning Standing Committee Structures:

BUDGET & TREASURY	CORPORATE & SUPPORT SERVICES
Chairperson : Cllr J Constable **Councillors :** Cllr S Mfisa Cllr I S van der Walt Cllr B.S Majodina Cllr M Gojo	**Chairperson :** Cllr N Kwinana **Councillors :** Cllr NC Motemekwane Cllr S Mziki Cllr N R Nthako Cllr R M Joubert Cllr MJ Sereba
Focus Areas Management of financial resources Policies, Procedures and By-lays (MFMA & National Treasury) Financial support to all Departments Traffic Services Fleet Services	**Focus Areas** Council Administration and Support Departmental Corporate Support Legal Compliance By-Laws Communications and Customer Care Special Projects Unit (SPU)

DEVELOPMENT AND TOWN PLANNING	COMMUNITY AND SOCIAL SERVICES
Chairperson: Cllr Mafilika **Councillors :** Cllr N Nombula Cllr L Tokwe Cllr A P April Cllr M Moeletsi Cllr M Senoamali Cllr N C Mraji	**Chairperson :** Cllr G Mbonyana **Councillors** Cllr I Mosisidi Cllr M Ngendane Cllr J Lamani Cllr M G Moeletsi Cllr A H Sobhuza
Focus Areas Support to community participation structures LED PMS Risk and Compliance PMU Town Planning	**Focus Areas** Community based service provision Community based by-laws Waste Management Environmental Management and Cleaning

TECHNICAL SERVICES	
Chairperson :	**Cllr M Mpelwane**
Councillors	**Cllr M J Mjali**
	Cllr G Mvunyiswa
	Cllr P G Key
	Cllr B Ngogodo
	Cllr SS Tindleni

Focus Areas

Infrastructure Development (Maintenance & Construction)
Technical Service Delivery (Roads and Stormwater Management and Electricity)
Waste Management
Refuse

Oversight & Audit Committees



As reflected within the diagram above it is noted that the processes of oversight, auditing and audit verification are undertaken by the following structures:

- Audit Committee
- MPAC (Oversight Committee)
- Auditor General (external auditor)

Note: Decision making is required to occur according to the following structure and hierarchy: from Standing Committees to EXCO and finally to Council. In this manner an informed decision is made possible. Oversight is provided by the relevant structures - ensuring compliance and correctness of operation at all times.

Audit Committee

Committee responsibilities and performance:

- Established in terms of s166 of the MFMA 56 of 2003 and comprised of four (4) independent members;

- Required to meet quarterly. During the 2015/16 financial year the following meetings occurred: 20 July 2015; 13 June 2015; 31 August 2015; 23 November 2015; 14 March 2016; 13 June 2016
- The Audit Committee's Charter was reviewed and approved by Council in the previous financial year;
- The committee performs an advisory function and role for the municipality and is directly accountable to Council. In this regard it plays a key role in ensuring that there is accountability and transparency within the organization;
- The quarterly performance information was reviewed in terms of compliance;
- Unaudited financial statements were reviewed prior to submission to the Auditor – General as per prescriptions of compliance;
- An objective view on the effectiveness of the municipality's risk management processes was provided each quarter in terms of compliance and specific feedback was provided to the Accounting Officer and Council in this regard;
- Responsibility for oversight on the integrity of financial controls, combined assurance, compliance management and meaningful integrated reporting to stakeholders is taken (and required in terms of compliance);
- The committee discharges its responsibilities by using work done/information received from the internal audit unit and other information presented to it by the management at its quarterly meetings;
- The committee minutes containing comments, resolutions and reports on work performed by the internal audit and the committee, were approved at these quarterly meetings;
- Approved internal audit reports are distributed quarterly to the Accounting Officer, the Mayor and the chairperson of the Municipal Public Accounts Committee (MPAC) for notification and to management for action;

Audit Committee Recommendations

- During the financial year 2015/2016 the following recommendations were made by the

Audit Committee

- An independent assurance provider be appointed in order to provide assurance on the risk register
- In-house deadlines be set prior to the legislated deadlines and all Directorates are to adhere to said deadlines. Directorate that do adhere will be escalated to various management levels as an indication that there was certain information which should have been included in the reporting but was not submitted within the set deadline in order to avoid non-submission of information for the quarterly performance assessment
- The Municipal Manager' s office / department develop a formal business process to be accepted by management in order to ensure that the user departments submit accurate and complete supporting evidence within the set deadline to the assessing department for quarterly performance reporting in order to prevent recurrence of findings
- The Chief Financial Officer (CFO) develops a smart and clear process for the recording of receipts in the accounting records to ensure that reconciliations for different methods of payment are accurate.
- Management must put strict control measures to manage and monitor vehicle abuse and the internal audit should do a follow a up on the fleet management reporting
- The internal audit report on fleet management has highlighted a number of control failures, therefore the CFO should provide a clear action plan showing controls which have been put in place and submit the plan to the audit committee meeting.
- The chief audit executive (CAE) should meet with the CFO to discuss the issues of concern relating to electronic fund transfers
- The Manager: Governance & Compliance should respond through the email to all issues raised by the audit committee on the internal audit report on the review of the SDBIP (2015/2016)
- Management responses should be revisited within in the internal audit report on customer care, provide relevant evidence to the internal audit and the revised internal audit report should be presented at the next audit committee meeting.

- The Municipal Manager should assist with the capacity in the internal audit unit for both internal staff and co-sourcing of the services.
- The draft policy on ward committees should be submitted to the internal audit unit for review before approval by the council
- The internal audit report on annual leave should be referred back so that management can provide a clear action plan and implementation dates how they will they will ensure that the findings do not recur.
- The internal audit unit should meet with the responsible manager and director on in drafting a clear annual leave action plan
- The Director: Development and Town Planning to ensure that the fraud prevention plan is reviewed so as to identify gaps and submit the plan to the council for approval
- The internal audit report on inventory should be referred back for management to provide clear action plans and implementation dates on how they will ensure that findings do not recur.
- The CAE should send more information regarding the middle management assessment procedures
- (a) The CAE should prepare a strategy on how the remaining projects will be completed in the internal audit plan.
- (b) The IT audit matter should be referred to the audit committee member (Mr. Govender) for further advice.
- The Municipal Manager should provide the audit committee with the original plan and the implementation status of the mSCOA project
- The CFO must submit a clear inventory action plan with specific implementation dates indicating how the finance department will rectify the issues identified by the internal audit on inventory at the next audit committee meeting
- The Manager: Governance & Compliance should meet with the Provincial Treasury to review the risk register and submit the amended risk register to the audit committee
- The CAE should ensure that the annual internal quality review is performed even if the external quality review cannot be performed

The Audit Committee was constituted as follows:

MEMBER	POSITION

Mr D Mrwetyana	Chairperson
Mrs A De Klerk	Ordinary Member
Mr L Govender	Ordinary Member
Mr L Spofana	Ordinary Member

Note: A Senior Audit Executive and an Internal Auditor facilitate the audit function in- house.

External auditors are invited to all quarterly meetings of the committee to ensure that there are no unresolved issues of concern.

Internal Audit Unit

- The internal audit unit was established in terms of s165 of the MFMA 56 of 2003 and it comprises four (4) members including the head of the unit (that are sourced in-house);
- The quality assurance review of the Internal Audit Unit was not completed in the previous financial year due to issues around the terms of reference which needed ratification. This project was not completed in 2015/16 financial year and will be considered in the following financial year.
- During this period, the Internal Audit evaluated the effectiveness and efficiency of controls, risk management, accounting procedures and practices, reliability and integrity of financial and performance information, safeguarding of assets, loss control and compliance with all regulations relevant to areas reviewed;
- Recommendations to improve controls were made and form part of information reported on in the audit reports approved by the Audit Committee at its quarterly meetings.
- All staff members participated in the Continued Professional Development Programmes which were part of the approved Workplace Skills Plan; and

INSTITUTIONAL MEETINGS	DATES ATTENDED 2015/2016
MPAC	25 August 2015
	23 November 2015
	2 December 2015
	17 February 2016
	10 March 2016
	18 May 2016
	15 June 2016
EXCO	29 July 2015
	26 August 2015
	22 September 2015
	30 October 2015
	20 January 2016
	24 February 2016
	23 March 2016
	26 May 2016
	27 June 2016
	29 June 2016
Audit Committee Meetings	13 June 2015
	20 July 2015
	31 August 2015
	23 November 2015
	14 March 2016
	13 June 2016
Council Meetings	20 July 2015
	28 August 2015
	29 September 2015
	23 November 2015
	31 March 2016
	6 June 2016
	30 June 2016

mSCOA Meetings (Finance) 4 quarterly reports on the progress of implementation of mSCOA were tabled to Council during this financial year.

MPAC (Municipal Public Accounts Committee)

Functions of MPAC

- Responsible for oversight on the administration and executive committee of the council;
- Reviews the municipal / municipal entity' s quarterly, mid-year and annual reports and oversight report on the annual report for consideration by Council;
- Assists council to maintain oversight over the implementation of Supply Chain Management Policy;
- Examines the financial statements and audit reports of the municipality and municipal entities (considering improvements from previous statements and reports);
- Evaluates the extent to which the Audit Committee' s and the Auditor General' s recommendations have been implemented;
- Promotes good governance, transparency and accountability on the use of municipal resources;
- Examines the Mid-Year Review documents in line with the IDP; and
- Recommends or undertakes any investigation that falls within the scope of this committee' s responsibilities/ area of competence.

To fulfil its functions MPAC may/is required to:

- Seek / have access to any information required from any councillor/employee;
- Report to council on the activities of the committee;
- Perform any other function assigned to the committee through a resolution of Council;
- Have the right to call upon the accounting officer of the municipality or the chairperson of the municipal entity to provide information or clarity;
- MPAC may request the support of the internal and external auditors when necessary;
- MPAC may engage directly with the public and consider public comments when received;

- The committee shall have permanent referral with regard to the following reports:
  - Mid-year /In-year s72 reports
  - Annual Financial Statements
  - Reports of Auditor General and audit committee
  - Any other financial audit report from the municipality
  - Information on compliance in terms of sections 128 and or sections 133
  - Information in respect of any disciplinary action taken in terms of MFMA on matters serving or having been served before the committee; and
  - Performance information of the municipality.

During the 2015/2016 period it is noted that MPAC: Held meetings as follows: 25 August 2015; 23 November 2015; 2 December 2015; 17 February 2016; 10 March 2016; 18 May 2016 and 15 June 2016

- As with the previous year, the annual work plan was drafted and implemented;
- Oversight was provided as prescribed and in terms of any other issues deemed necessary; and
- The oversight report for 2015/2016 as part of the Annual Report will be drafted and tabled to Council by 31 March 207, the report will incorporate comments and recommendations on management' s action plans developed in order to address findings raised by the Auditor General in its audit report.

Ward Committees Establishment and Functionality

Ward Committees are established in terms of section 73 of the Municipal Structures Act 117 of 1998.

Purpose

As per s74 of the Municipal Structures Act 117 of 1998, the purpose is to assist Municipal Councils in ensuring that ward issues are properly communicated by their respective municipalities and are catered for should there be a need for a budget to address such issues. These meetings are required to provide opportunities to report to the Speaker on issues of interest to the municipality which are taking place in their wards. This has assisted the municipality in ensuring that public participation is enhanced and accountability of the municipality is not compromised. In the brewing protests in Sterkspruit

information was communicated via this channel, especially on issues such as Municipal Public meetings and other information sharing sessions.

During 2015/2016 Ward Committee meetings were held in all 19 wards on different dates. These meetings have been attended by community members. Issues raised by ward committees are reported quarterly to the Executive Committee. From the results thereof it appears that these meetings and this method of communication appears successful with issues being resolved. This system ensures that council is kept current on all issues raised within Ward Committee meetings. 12 reports on the functionality of Ward Committees were submitted to Standing Committee, Exco and Council.

Administrative Considerations

- Ward Committees were established as required and in terms of Gazette No. 1405, Notice no. 209 of 9/12/2005;
- The Municipality published its By-Laws relating to Ward Committees in terms of s13 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) read with s162 of the Constitution of the Republic of South Africa Act 1996 (Act 108 of 1996).
- In terms of these prescriptions the following issues are required to apply:
    - Representation on Ward Committees shall not be according to political party affiliation and will include religious, youth, civic, education, sport, culture, business, welfare, and women's associations;
    - Committees are required to meet at least once per quarter and report formally to the Municipal Manager at least quarterly through their Ward Councillor;
    - The term of office of a member is a period of two years;
    - The Mayor is responsible overall for the functioning of the Ward Committees and will meet at least quarterly with all Ward Committees to discuss issues of mutual concern and issues to be addressed;
    - The Mayor shall submit a 6 month report to Council on the activities and considerations of the Ward Committees;
    - Each Committee will be chaired by its respective Ward Councillor. During Ward Committee meetings, the community members are briefed about

developments in their ward and within the municipality itself. In this manner, a consultative community structure is created and maintained; and
- In order to facilitate the smooth running of these communities a code of conduct has been developed which will in turn be work shopped.

- In keeping with all required legislation it must be noted that:
  - All records of meetings scheduled and attended are maintained (minuted);
  - Minutes of all meetings are made available;
  - Written proof of resolutions tabled to Council are made available;
  - Minutes are available for all feedback meetings with communities; and
  - Ward Committee activity reports are made available to all.

As indicated, not all Ward Committee meetings have taken place due to a lack of quorum and resultant postponements. Notwithstanding, efforts are being made (through training) to improve the efficiency and functioning. Additionally the members are required to travel huge distances and members are now paid an "out of pocket" expense stipend of R1 500 per month to facilitate attendance. No stipend is paid without proof of attendance and meeting minutes.

Community Development Workers (CDW's)

- 14 CDW's were appointed ;
- Objectives of CDW's:
  - To interact with the community and identify households in need; and
  - To ensure that community relationships are nurtured so that community participation, support and correct utilization of services occur as a result of effective marketing.

Functioning of CDW's

- All CDW's are required to undergo the appropriate training (ensuring that they clearly understand their role and purpose);
- CDW's report monthly to their co-ordinator in Sterkspruit in order to provide operational monthly reports i.e. reports on activities performed. Issues and observations noted, are forwarded monthly to the municipality via the Speakers Office;

- All Ward Committee meetings are attended by the CDW's who also then provide assistance to the Ward Councillors in respect of the dissemination of information.

Note: Difficulties in communication in respect of the CDW programme have not yet been resolved. It would seem that this was in part due to misunderstandings by the Ward Councillors as to the role of the CDW's and this in turn resulted in miscommunications and "turf wars". Through additional training in this regard, it is hoped that this challenge will be addressed over time and especially with the appointment of the new Council.

CDW's report to the relevant government department by utilizing designated reporting mechanisms in an effort to obtain required support and assistance for particular households. Round Table Meetings are held quarterly and chaired by the Speaker. COGTA representation is to be found at these meetings. CDW's report on their activities performed, while detailing challenges experienced within the communities in which they work – with a view to resolving these at higher levels.

While this programme has achieved great success through its marketing campaigns, it is hampered by the lack of transport and telecommunications that would enable CDW's to ensure that the requested services reached the required families.

COMMITTEES AND COMMITTEES PURPOSE

Committees (other than Mayoral /Executive Committee) and Purpose of Committees	
Municipal Committees	**Purpose of Committee**
Audit committee	Administrative Oversight
Municipal public accounts committee	Oversight
Remuneration committee	Remuneration Issues
Local Labour Forum	Labour Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance
Mandate Committee	To carry out and discuss all the

	mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the Strategic issues of the Council
Ethics Committee	To carry out and discuss all the Ethical issues of the Council
Corporate & Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.
Budget & Treasury Committee	To discuss, recommend and dealing with council related business.
D &TPS Committee	To discuss, recommend and dealing with council related business.
Occupation Health & Safety Committee	To carry out and discuss all the OHS issues of the Council
Employment Equity Committee	To carry out and discuss all the EE issues of the Council

The following Traditional leaders are recognized and consulted as and when appropriate.

B Pitso	Traditional Leader
K A Nombula	Traditional Leader
T Kakudi	Traditional Leader
N J Tikiso	Traditional Leader
I Jafta	Traditional Leader
N H Binza	Traditional Leader
Z Mphambo	Traditional Leader

Political Decision Making

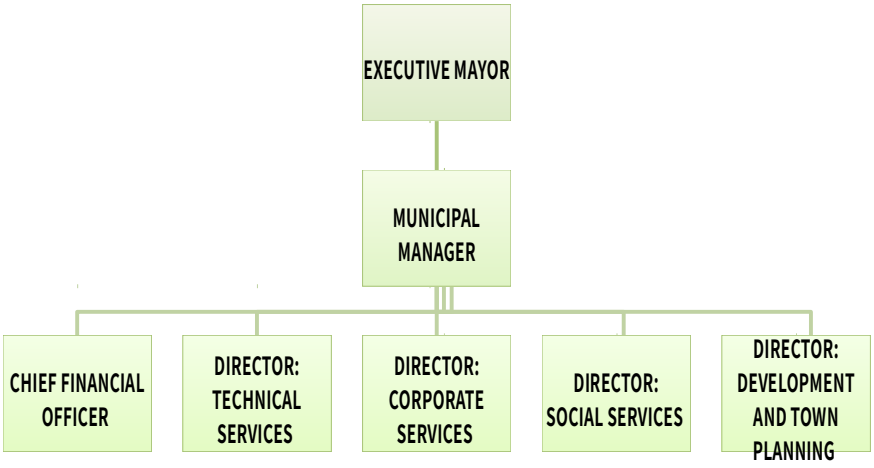
As already illustrated, political decisions are made through Standing Committee resolutions (after examining reports submitted) and at times these are forwarded

to Council for a decision from Council i.e. Council Resolution. Actions taken must be taken strictly in accordance with a resolution number in order to be valid. A Resolution Register provides detail regarding action to be taken and follow ups are conducted in order to ensure that resolutions are acted upon.

2.2 ADMINISTRATIVE GOVERNANCE

Introduction to Administrative Governance

The functional structure representing administrative governance is reflected as follows:



As depicted by the diagram above, the administrative structure consists of the Municipal Manager (Administrative Head) and the five (5) s56 Managers (Directors) who report to the Municipal Manager.

More specifically:

- The s56 managers are appointed on a 5-year fixed term contract;

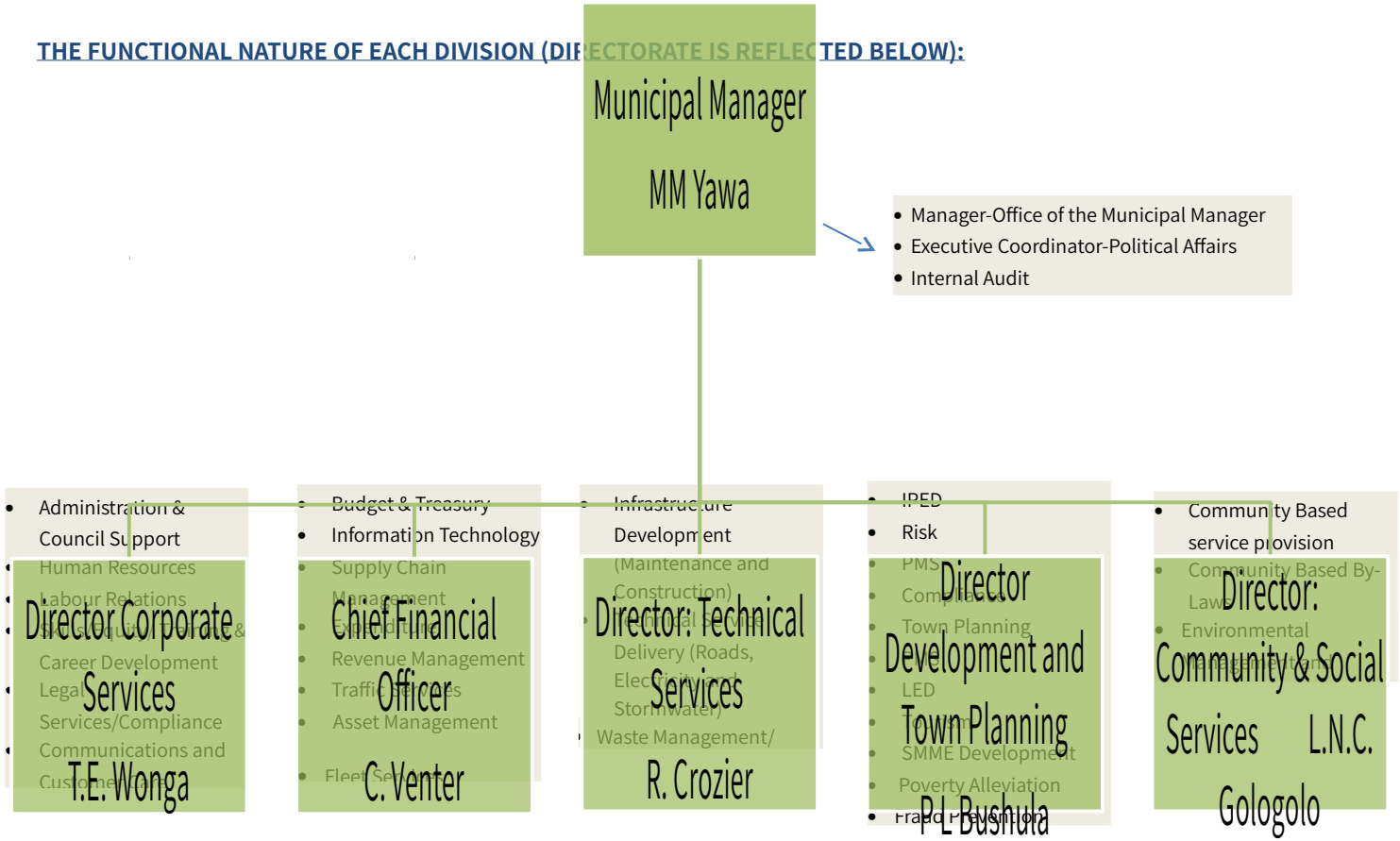
- Performance Agreements are signed annually between the s56 managers' and the Municipal Manager (to whom they report). This details their specific contract conditions and together with an annually reviewed performance scorecard, their performance goals and objectives are agreed to annually (targets). It is against these that their performance will be measured; and
- S56 managers' report regularly to the Municipal Manager regarding performance and issues requiring appropriate action.

Reporting Relationships and Administrative Functioning

- Directors report directly to the Municipal Manager re – functional issues regarding their directorates;
- Reporting occurs as per reporting lines and recognized communication structures (encouraging free flow of communication);
- Directors compile/present reports to Council regarding own directorate monthly (to the Standing Committees), who then recommend that these are approved/taken to Exco/Council as deemed appropriate (for final approval /resolution);
- Council resolutions are required to be effected within a specific period and follow ups are required to be undertaken in order to ensure that this occurs as required and timeously;
- Directors are required to meet the terms and conditions of the approved Performance Management Policy; and
- Directors are required to ensure that all reporting occurs in terms of compliance and in respect of all internal controls and systems.

The table that follows details each directorate, the name of its director and the functional requirements for each directorate:

THE FUNCTIONAL NATURE OF EACH DIVISION (DIRECTORATE IS REFLECTED BELOW):



COMPONENT B: INTERGOVERNMENTAL RELATIONS

Introduction to Co-operative Governance and Intergovernmental Relations

It is recognized that organizations benefit from both individual and shared experiences. In this manner, opportunities are created for organizations to share and learn from each other and to develop more effective skills to handle day to day and specific challenges.

In an ongoing quest to improve the manner in which organizations operate, IGR (intergovernmental relations) structures have been put in place and are driven at the level of the district. Accordingly, the IGR Forum has been established in order to formally promote and to improve this process.

To facilitate this process and concept, an Intergovernmental Relations Framework Policy was adopted by the district (Joe Gqabi District Municipality) and related structures were created that were linked to the following clusters:

- Social Needs;
- Economic and Infrastructure;
- Safety and Justice; and
- Governance and Administration.

These clusters meet within the district by-monthly, in order to discuss service delivery, policy issues, integration, co-ordination, monitoring and evaluation.

Existing and Functional Structures

Aside from the clusters, the following structures exist:

- **The District Technical Task Group;**
- **The District Mayor's Forum (DIMAFU);**
  - Meets quarterly to align key programmes and issues that relate to municipalities

- This is a s79 committee (special committee that consists of Mayors of all Local Municipalities within Joe Gqabi District Municipality);

- **MUNIMEC Meetings `**

  - Attended by Mayor and Municipal Manager;

  - Driven and coordinated by MEC for Co-operative Governance (to evaluate the performance of government programmes);

- **Presidential Hotline**

  - This hotline is to be commended for efforts and achievements which have seen it standing at 95% efficiency during the previous financial year; however during this financial year the efficiency figure dropped to 91.66% and

  - Following the provincial and national elections, the Presidential Hotline was found to be misplaced and in terms of this, experienced a number of operational challenges within municipalities. More specifically, connecting to the Hotline proved extremely challenging and once connected, it was found that removing resolved cases from our system was extremely difficult/near impossible. In an effort to successfully manage this, the Customer Care Officer obtained a direct contact at the National Office and this assisted the municipality in resolving the termination of resolved cases from the system.

- **IDP Representative Forum**

  - Consultation with Sector Departments; and

  - Links IDP processes.

- **Public Participation**

  - Informed in part by the IDP Process Plan; and

  - Efforts are continuously made in order to improve and create conditions to facilitate public participation; and

2.3 INTERGOVERNMENTAL RELATIONS

National Intergovernmental Structures

All the programmes that are developed by Senqu Municipality are derived from the legislative policies that are approved by National and Provincial Government. The Local Development strategies in Senqu Municipality' s Integrated Development Plan are aligned to the National Development strategies and policies.

Provincial Intergovernmental Structures

Munimec meetings are attended as and when run. Munimec technical team and political team meetings are scheduled and attended accordingly. These meetings are held in order to discuss and to resolve issues of mutual interest with neighbouring municipalities. Reference is made to Appendix D (detailing a complete list of entities and delegated functions).

District Intergovernmental Structures

Efforts to improve intergovernmental relations are driven at the level of the district. The IGR Forum has been used in the past to promote this process and Joe Gqabi District Municipality has adopted an Intergovernmental Relations Framework Policy. Intergovernmental structures were created (linked to the clusters of Social Needs; Economic and Infrastructure; Safety and Justice and Governance and Administration) and these are functional. Notwithstanding it must be noted that the District IGR Forum has not been active for the last financial year.

Additional structures have and do include:

- The District Technical Task Group;
- The District Mayor's Forum (DIMAFU) – meeting quarterly in order to align key programmes and issues between all municipalities within Joe Gqabi District Municipality. This s79 committee comprises the Mayors of all local municipalities within the district. It was unfortunate that within this financial year, the MM was not able to attend due to other work commitments.

As is clearly observed, in this manner, many opportunities are provided for the benefit of both district and local municipalities.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Overview of Public Accountability and Participation

Every year formal opportunities are created in order to provide the public with opportunities to input into organizational objectives and the manner in which services need to be and are addressed. In addition they are given opportunities to "interact" with information regarding service delivery, operational and financial performance (IDP and Budget meetings, SDBIP reporting, Performance and Annual Reports and the like). In this manner, a "people centered" organization is created – one in which the needs of the community are noted and plans are made to address these through processes of interaction and inclusion.

The IDP Process and Budget Plan are just a few of the structures that have been created in order to ensure that public participation occurs effectively – ensuring that the needs of the public are met.

2.4 PUBLIC MEETINGS

Communication, Participation and Forums

Historically, it is noted that the Communication Plan and Strategy was adopted and implemented successfully and it was required that implementation reports be submitted quarterly to Council.

Ward Committee members, Councillors, members of the LED Forum, SPU and government departments were invited to form part of the Public Participation Forum. Emphasis was placed on the Mayoral Imbizos' in order to utilize the information obtained to identify and inform key projects for the coming year. Input from the community, budgetary constraints and operational issues and challenges were used to inform and choose projects that appeared in the municipal 5-year IDP (2011-2016). Community information sessions and feedback were used to prioritize these projects for each subsequent year. The results of this were then prioritized within the IDP & Public Representative Forum, and the prioritized projects (municipal and government) were then tabled to Ward Committee members. In this manner the municipality was able to align its programmes with those of various government institutions for 2015/2016.

Communication continues through Ward Committee meetings, radio talk shows and printed media. Additionally, the Presidential Hotline and the manual receipt of complaints are also being utilized in order to address all complaints received from communities and other stakeholders. Regular reporting of issues raised/discussed are submitted to the standing committee. In an effort to heighten the success of customer care initiatives, the municipality has launched a Customer Care Number which is continually advertised to communities. Despite the intention of this initiative it is noted that this is not effectively used by community members. Mayoral outreaches provide a forum for community complaints and it is here that many community complaints are received. The Customer Care Officer and Clerks register the complaints in the Complaints Register, facilitating that this is then formally dealt with.

During the current financial year the Communication Plan was reviewed and implementation reports were submitted monthly to the Corporate Services Standing Committee.

Efforts to improve public participation and communication have involved the extensive use of other communication media. These include:

- Newspapers (reporting on highlights) such as: Daily Dispatch, Aliwal Weekly, Daily Sun, The Reporter and the Eagle Eye News;
- Broadcast media such as: Takalani Community Radio, Ekhephini Community Radio and LA FM Community Radio. These are used for media activities such as: advertising of Mayoral Outreaches and in order to communicate with the community generally. Mhlobo Wenene is used only when the need to advertise broadly is required, as this represents an extremely costly option;
- Efforts to produce and publish the internal and external newsletters have not been successful in the last 2 financial years. However, during this financial year, 2015/2016, the target was met with a variance of 25%, notwithstanding the variance, this is a significant improvement compared to the last 2 previous financial years.;
- In addition it is noted that budget consultations occur twice annually (once to collect community needs and once to report on needs). However due to various factors the public consultation of the 1st to the 30th November was held and instead a meeting was held to update ward plans in December 2015 in order to collect community needs. The public consultation to report back on budget consultation was held between the 11 -20 April 2016.In doing so, these meetings usually include traditional leaders, CDW's, community members, ward committees and other interest groups applicable to these wards.

Other Roleplayers Used to Improve Public Participation

In addition the following role-players are used to heighten and improve public participation overall:

Community Development Workers (CDW's)

The CDW's report to province, but also report to the municipality via the Round Table Meeting which is held quarterly. Communication and cooperation is facilitated by these round table meetings where issues relating to the wards may be discussed. These discussions are chaired by the Speaker and meetings are constituted as follows: Ward Councillors, Traditional Leaders, Local Government, Traditional Affairs Representatives and CDW's.

Economic Development Forum

This forum meets quarterly and comprises all stakeholders involved in LED. Issues and challenges relating to LED implementation are discussed and the forum monitors the implementation of the LED Strategy.

Communications Forum

This is required to meet quarterly in order to discuss issues relating to communications within the region. It consists of local municipal communicators, GCIS and local media representatives.

Ward Committees

As s73 structures (as per s73 of the Municipal Structures Act, Act 117 of 1998) these have been created in order to facilitate ward communication with Council.

Committees meet monthly and report to the Speaker regarding issues of interest. Historically, meetings have not always been held as regularly as required and in an effort to improve attendance, the payment of stipends was recommended by National Treasury. Financial constraints have impacted negatively on this.

These committees are extremely effective in facilitating 2-way dissemination of information, notwithstanding any challenges experienced with Sterkspruit.

Senqu Ward Committees are effective in the sense that issues raised by ward committees are reported on quarterly to the Executive Committee. This ensures that council in general is on board of function of the ward committees at all times.

Reference: Appendix E (Ward Committee Governance) and Appendix F (Performance Data for Wards)

Comment on Effectiveness of Public Meetings Held

Public Meetings are held regularly by the Mayor and Speaker and these meetings are very effective in disseminating information to the communities. It is recognized that despite progress and the effectiveness of meetings held, ongoing efforts must continue in order to increase opportunities for Public Participation.

2.5 IDP PARTICIPATION AND ALIGNMENT

s34 of the Municipal Systems Act, (Act No 32 of 2000), together with Chapter 2 of the Local Government Municipal Planning and Performance Management Regulations (No. 796/2001) require the completion of the IDP. This 5-year document was first compiled in 2002, then in May 2006 and more recently in 2011 (for the 2011-2016 period).

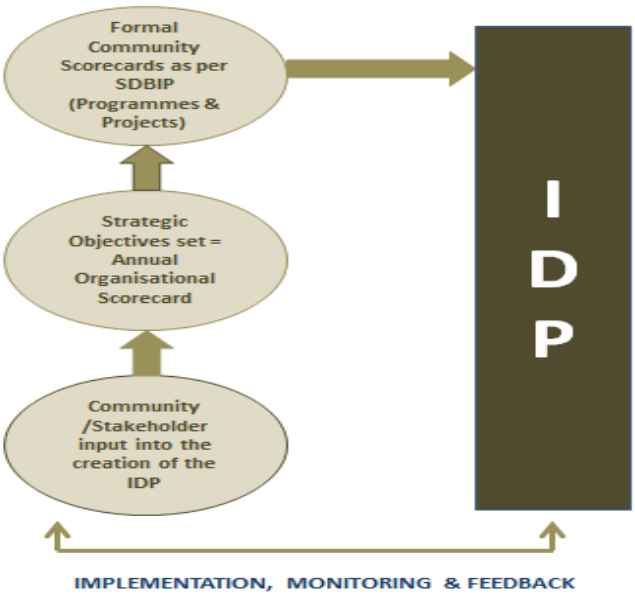
The IDP is required to correspond with each new Council' s elected term of office. The IDP is a strategic document that directs and influences the functioning of the organization overall – informing the strategic direction and operation of all projects and planning that occurs internally.

Diagrammatically (as per the diagram reflected below), the impact and role of the IDP is explained more thoroughly as follows:

- It is imperative that there is alignment between the IDP, Budget and the SDBIP. In this manner, the achievement of performance objectives as reflected in performance scorecards will facilitate the achievement of the IDP strategic objectives;
- In accordance with this philosophy, alignment must be carried through to the population of the s56 managers scorecards and to the levels below;
- The assessment of the degree to which performance targets are achieved is facilitated through regular assessment and reporting structures. Reporting structures are in place in order to ensure that implementation, monitoring and feedback occurs ongoing – thereby ensuring that every effort is being made to meet the IDP objectives;
- The IDP is developed for a period of 5 years and is reviewed annually – detailing and aligning the annual targets according to current resources (which impact on the achievement of objectives);

- A Process Plan is developed annually which informs the manner in which the IDP will be reviewed and managed (and public participation will be maximized);
- Planned meetings are detailed and scheduled as required; and
- Performance is evaluated according to the use of the Budget Evaluation Checklist;
- The Budget Executive Committee meets regularly in order to evaluate the previous year' s budget process – learning from current and past situations.

Figure: Development of the IDP & Related Public Participation


Formal Community Scorecards as per SDBIP (Programmes & Projects)
Strategic Objectives set = Annual Organisational Scorecard
Community /Stakeholder input into the creation of the IDP
IDP
IMPLEMENTATION, MONITORING & FEEDBACK

In keeping with the practice of planned IDP related consultations, the following meetings and achievements occurred:

- The SDBIP was formally adopted;

- The draft IDP 2015/16 was developed and adopted by Council on 31 March 2015
- The IDP Representatives Forum and related public participation meetings were held 17 August 2015, 9 December 2015, 22 March 2016, 27 May 2016 (where a combined Public Participation Forum and IDP Rep Forum was held). Reports were submitted to the related standing committees;
- During the fourth quarter a roadshow (supported by various departments) was completed as part of the public participation initiative; and
- 4 Round Table Meetings were held, the first being 2 September 2015, thereafter they were combined with the IDP Representative Forum and the Mayoral Imbizos.
- Despite these challenges, all needs and inputs (as identified) were recorded, prioritized and included in Council' s Integrated Development Plan (which was adopted by Council). The table below provides a brief analysis of the participation and alignment that resulted in the development of the IDP and related documents.

IDP PARTICIPATION AND ALIGNMENT CRITERIA* 2015/2016	**YES/NO**	**COMMENT**
Does the municipality have impact, outcome, input, output indicators?	Yes	
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes	
Does the IDP have multi-year targets?	Yes	5 year Target with implementation of mSCOA
Are the above aligned and can they calculate into a score?	Yes	In only 2 instances the KPI's are assigned to different KPA's. Scoring can be done.
Does the budget align directly to the KPIs in the strategic plan?	Yes	
Do the IDP KPIs align to the Section 56 Managers	Yes	Scorecards are developed from SDBIP.
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes	
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes	Municipal Performance Management Regulations s10g
Were the indicators communicated to the public?	Yes	Process Plan

Were the four quarter aligned reports submitted within stipulated time frames?	Yes	

COMPONENT D: CORPORATE GOVERNANCE

Overview of Corporate Governance

Corporate Governance is required to ensure that all legislative prescriptions are adhered to and in so doing to ensure that the rights of all stakeholders are protected.

Governance and compliance issues are required to be managed in the strictest sense. The administrative arm and related/designated human resources are required to ensure that all prescriptions (legal / policy prescriptions) are adhered to as prescribed, in order to ensure that the organization functions effectively and minimizes/eradicates aspects of risk.

This section will detail issues relating to: Risk Management, Fraud and Anti-Corruption, Supply Chain Management, By-laws, Website access and Public Satisfaction levels --- all in terms of compliance.

2.6 RISK MANAGEMENT

Risk management is a compliance issue that is required in terms of the MFMA section 62(i)(c). This requires that a municipality has and maintains an effective, efficient and transparent system of risk management.

While risk management is highlighted in terms of compliance, it must be noted that its real benefit has more to do with the fact that the failure to identify and manage identified risks will impact negatively on the organisation (financially and operationally). These costs cannot be justified, particularly if the risk had been noted and no appropriate action was taken – it would therefore reflect as poor business practice and poor management – resulting in extreme costs to the organisation, not to mention audit queries and possible audit qualifications.

Top 5 Risks (2015/2016)

TOP FIVE RISKS OF SENQU LOCAL MUNICIPALITY FOR 2015/2016		
Risk	**Current Controls**	**Action Plan**
1. Under expenditure on projects	• No controls provided	• Planning ahead of each financial year with projects that will be on standby should there be any problems with current running projects. • Political intervention is needed for community resistance on issues of land. • Municipality also needs to identify land and secure it before budgeting. • Consultants should do specifications with user departments.
2.Non-compliance in terms of NEMA	• Environmental Affairs aware of situation	• Closure permit for 2018 received. • Funds requested for closure start in 2016/17. • Appointment of Services providers to design and implement the rehabilitation and closure plan of the landfill site. • Master Plan to be drawn up and implemented.
3.Non-compliance on the mSCOA implementation	• Training Schedules. • mSCOA Steering Committee sits to address all technical mSCOA issues. • mSCOA implementation plan	• Ensure effective training takes place in a timely manner. • Ensure Data Conversion Reconciliations and Batch Totals Reconciliations are done for data conversion purposes. • Implementation of mSCOA implementation plan
4.Possible loss of revenue due to electricity theft	• Monitoring of consumption patterns. • Monitoring of low and no sales of electricity.	• Monitoring of consumption patterns. • Monitoring of low and no sales of electricity. • Inspection of meters by meter readers while they are taking readings for conventional meters.

	• Inspection of meters by meter readers while they are taking readings for conventional meters.	• Improved communication with Technical services department to investigate households with low and no sales for electricity.
5.No land administration in rural areas	• Building inspectors which enforce laws regarding land invasion.	• Workshop the chiefs on SPLUMA and town planning applications and processes. • Develop agreements to be signed by the Chiefs and the municipality for the implementation of SPLUMA. • Include rural areas in all planning of land for the municipality.

The risk management function is housed within the Directorate Development and Town Planning in the Governance and Compliance Division. This function is managed by the Manager: Governance and Compliance. Risk remains the responsibility of each and every Directorate and all parties on all levels are required to manage risk within the ambit of their control.

Oversight on matters of risk is provided by the Audit Committee. This oversight is provided while based on perceived and actual risk experienced. Approved processes of measurement, reporting and control are undertaken and in this manner risk is possible to be managed throughout the organisation in a coordinated and effective way.

The following structures and reporting mechanisms are used in this regard:

- The municipality is required to develop a Risk Profile;
- Risks are monitored and reviewed regularly;
- Departments are advised on mitigating measures that are required to be implemented on identified risks;
- The Risk Action Plan for each Directorate is required to be developed, monitored and reviewed annually;
- The Risk Registers are monitored and updated monthly. Measures to deal with identified risks are monitored and reports submitted to Council; and
- Risks Reporting is done on a quarterly basis and submitted to the Audit Committee and Council.

    - Q1-Risk report on risk matters to the Audit Committee
    - Q2-Risk report was submitted to the Audit Committee at a meeting held on 23 November 2015.
    - Q3-The Risk report was entertained in the Audit Committee which sat on 14 March 2016 Q4-1 Risk report on the Institutional Risk Register - Monitoring of Risk Action Plan/s are done a monthly basis and Risks Reporting is done on a quarterly basis to the Audit Committee

Litigation Issues

The municipality is currently involved in the following litigation issues that could result in damages/loss awarded against Council if claimants are successful. The following cases apply:

LITIGATION ISSUES	2016	2015
1. Landfill Sites The municipality does not have a permit or license for all the landfill sites currently in use and could be liable for a penalty in terms of Section 24G of the Environmental Conservation Act.	-	-
2. Hawks Currently a Pending Investigation from the Hawks is on-going, a case has been opened and employees have been charged.	-	-
3. Ex-Gratia Payment Upon termination of the Municipal Manager and 3 other Section 57 Manager's contracts, an ex-gratia amount of 1,25 x the employees gross annual salary will be paid to these employees..	7 356 623	7 255 468
4. Land Invasion The municipality is currently engaged in litigation in respect of various land invasion cases in the Senqu Municipal area. .		-
5. Moeletsi, Ngogoda & April defamation claims The Councillors have instituted separate legal proceedings against the Municipality, together with the Mayor for defamation in respect of an article that appeared in the Eagle Eye Newspaper in August 2013.	300 000	300 000
6. Languza Unfair Dismissal Pending matter for the unfair dismissal of N Languza. A debtor of R346 680 has been created as security on the matter.		
7. Travel and Subsistence Claim Councillor Tindleni has put in a claim against the municipality for Travel and Subsistence money not yet paid out.	60 000	
8 MTN Dispute Invoices from MTN for services rendered are under dispute. The extent of the liability cannot be measured at this stage		
9. Councillors Pension Fund There is a disputed claim by the Municipal Councillors Pension Fund for the pension fund contributions of councillors who resigned from		

the fund during or about 2011. The extent of the liability cannot be quantified at this stage.		

During 2015/2016 it is noted that:

Legal services is an outsourced function. A data base of suitable service providers is available so that assistance may be obtained for legal cases. The database with contracts and lease agreements is being managed by the Corporate Services Department. Moving forward, ongoing management & control of disciplinary cases is required and it is imperative that appropriate measures are put in place in order to manage same and regular statistical reporting.

2.7 ANTI-CORRUPTION AND FRAUD

Senqu Municipality has an approved Fraud Prevention Plan. This Plan outlined the concept of "fraud" and resulted in the development of a Code of Conduct for Employees and Councillors. Procedures for reporting fraud and policy and practice to protect "whistle-blowers" was developed and implemented. In addition, this Plan also outlined the policies and procedures that must be implemented in order to prevent fraud which may be observed within supply chain management and the like. The Internal and External Audit as well as the Audit Committee provides an oversight role in this regard and both are mandated to expose any evidence of fraud.

Note: Most of the recommendations of this plan have been implemented and all employees are inducted regarding the Code of Conduct.

Fraud and Anti-corruption Strategy

In an effort to minimise and to prevent fraud it is noted that:

- The Fraud Prevention Plan is in place and is being implemented by the Compliance Officer;
- All new employees and Councillors are inducted on the Code of Conduct and this details the correct way in which all parties are to behave;
- Very clear procedures for authorisation of approval/payments are in place in order to prevent corruption, fraud and theft. In this regard, very specific signing authority as per the MFMA, is specified.
- As per the Disciplinary and Procedure Code, any instance of misbehaviour /malpractice will result in appropriate action in terms of the policy;

- Persons under suspicion are suspended depending on the nature of the allegation and where required criminal charges are exercised; and
- The Mayor and Municipal Manager have publicly condemned acts of corruption, fraud and malpractice of any kind.

Audit Committee Comments/Recommendations (as per Appendix G)

Notwithstanding the successes within this area it is important to make reference to the Audit Committee Recommendations for the current year – thereby ensuring that all issues are accommodated. In this regard reference is made to Appendix G.

2.8 SUPPLY CHAIN MANAGEMENT

Overview of Supply Chain Management

The MFMA s110-119, the SCM Regulations of 2005 and the relevant MFMA circulars set out the required processes and guidance manuals in order to facilitate that the application of SCM policy and procedures would ensure the acquisition and provision of required goods and services.

- All SCM reporting submissions as legislated were met. Quarterly reports to the Municipal Manager and Mayor were made within 10 working days of each quarter, and submission of annual SCM report within 30 days of end of each financial year on implementation of SCM Policy to Council; and
- During 2015/2016 SCM compliance reporting was submitted to National Treasury for Bids over R100 000; and
- Reference is made to **Appendix H** for detail regarding long-term contracts and Chapter 3 for statistical reporting regarding Supply Chain Management.

Note Chapter 3 in which the analysis of performance in respect of Supply Chain Management is discussed in greater depth.

2.9 BY-LAWS

Consultants have been appointed in order to facilitate the review and adoption of the Municipal By-Laws. In accordance with this, the first Committee meeting for the review of these By-Laws sat on 31 April 2015.

Sessions with departments were held in order to obtain required inputs. A related item was then submitted to the Standing Committee for recommendation.

Comments on By-Laws

- During 2014/2015 money was set aside specifically to look at the review of the municipal by-laws. This process has begun and at August 2015, progress in this regard is considered to be mid-way through the review.

2.10 MUNICIPAL WEBSITE

Comment Municipal Website Content and Access

During 2015/2016 financial year a Service Provider (SEBATA' s) was appointed to develop a new website to improve technological communication with Communities. Reports on the Monitoring of the Website Compliance with the MFMA and MSA were submitted quarterly to the Standing Committee and Audit Committee.

The Communications Officer maintains and updates the Website regularly. The content of the website has greatly improved, though there is still room for improvement on the overall look and feel of the website.

Note: In terms of the requirements for Municipal Websites as set out in MFMA s75, the Municipality is required to monitor and report on the use of its website by the public (e.g. detailing the number of hits per website).

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL	
Documents published on the Municipality' s /Entity' s Website	**Yes / No**
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related polices	Yes
The previous annual report (Year -1)	Yes
The annual report (Year 0) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes
All service delivery agreements (Year 0)	Yes
All long-term borrowing contracts (Year 0)	No
All supply chain management contracts above prescribed value (give value) for Year	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) during Year 1	No
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in Year 0	No
All quarterly reports tabled in the council in terms of Section 52 (d) during Year 0	No

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

During the period under review no Customer Care survey were conducted as no funding was allocated for Customer Care Surveys.

In an effort to provide opportunities for Customers to rate municipality and/or to complain, address issues of concern the following tools / opportunities are provided:

- Complaint boxes have been installed at designated Community Halls and all Municipal offices throughout the Senqu Municipal jurisdiction (Lady Grey, Sterkspruit and Barkly East). The boxes are opened weekly and the complaints /suggestions if any are channelled through the Communication divisions to the relevant Directorates for response.
- The Customer Care section has further developed a Customer Complaints Register for all external complaints (including calls, walk-ins and anonymous complaints). Reports (inclusive of statistics) are submitted to the Standing committee monthly;
- The Complaints Hotline has been installed (number is 0861 (Senqu) 73678), this together with feedback from the many public participation structures, the Presidential Hotline, Performance and Service Delivery statistics and the like, the organization continuously look for ways to address the issues raised and to improve the level of customer satisfaction.
- The Presidential Hotline is provided to ease the resolution and reporting of complaints but currently experiences challenges of operation; (performance levels have dropped from 95% to 91.66 % and
- The public are encouraged within all public participation initiatives to use these opportunities to discuss and resolve issues. Notwithstanding these efforts, the suggestion boxes are not fully utilised as the communities prefer face-to-face interactions with staff members at the Customer Care Division.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

Senqu Municipality Annual Report 2015/2016

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

Introduction

Senqu Municipality (as with other municipalities nationally) faces huge challenges when it comes to maintaining and enhancing old and ageing infrastructure. Despite the fact that this municipality is well managed and able to function in a sustainable manner, limited financial resources (for infrastructure development) must negatively impact on the ability to provide certain services efficiently and optimally moving forward. This situation is exacerbated by the fact that this municipality is characterized by high levels of unemployment and an extremely small rate base.

Senqu Municipality received accolades for the manner in which the IDP was compiled.

Reference is made to **Appendix D** (Functions of all municipal entities); **Appendix I** (Service Providers Report) and **Appendix F** (Service Delivery performance at Ward level) in order to provide both context and progress in terms of projects undertaken.

Up until 31 July 2012, Senqu Municipality was appointed as a Water Services Provider with JGDM as the Water Services Authority. This function has now been transferred back to the Joe Gqabi District Municipality. With this having occurred, service delivery functions within Senqu Municipality are specified as follows:

- Electricity distribution – licensed areas only
- Street Lighting
- Roads construction and maintenance – Municipal and access roads includes Stormwater Maintenance
- Storm water and pavement construction
- PMU / Infrastructure planning and Technical Administration (includes roads – PMU Construction)

- Library Services (Service Level Agreement entered into between Senqu Local Municipality and DSRAC on an agency basis. Portion of funding received from DSRAC)
- Community Halls and facilities
- Cemeteries
- Sport and Recreational Facilities
- Parks and Public Open Spaces
- Public Safety
- Commonages
- Issuing of business licenses
- Communications
- Town Planning (Land Use Management, Housing and Building Control); and
- LED (Tourism, SMME and Poverty Alleviation).
- Building of crèches (Grant funding through MIG)

Each of these areas will be examined in terms of reporting on their performance for the period under review.

COMPONENT A: BASIC SERVICES

3.1 ELECTRICITY

Senqu Municipality has been licensed by the National Energy Regulator of South Africa (NERSA) to distribute electricity within the towns of Sterkspruit, Lady Grey and Barkly East. It has always been assumed that Eskom is licensed to supply the rural areas although this is a matter of perspective as according to legislation municipalities are considered to be "wall to wall".

The matter for the right to reticulate electricity within the new 802 unit housing project in Barkly East [Boyce Nondala] is still ongoing with an official declaration of a dispute with Eskom, submitted to NERSA. This process is currently still under way, 3 years after the original application to NERSA. NERSA is expected to respond in the

month of July 2016. (4 Months as required by the act). The primary purpose of this is to increase the revenue base of the municipality.

It is noted that while most of the Senqu communities have access to electricity, there are certain communities that are still required to be electrified (either in the form of electricity installation, or by upgrading their existing supply lines).

The standard of electricity provision within the licensed area is considered as "good". Electricity backlogs have been noted within the rural areas and it is calculated that 5 652 households do not have access to basic electricity services. The current electricity backlog within the rural area is being dealt with under the Integrated National Electrification Programme (INEP) with Eskom and funds are allocated to Senqu Municipality under the Division of Revenue Act, for the purposes of resolving this. Eskom has finally supplied information required, after a series of meetings. The strategic Electrical Upgrade Programme has been running for four (4) years and is expected to run for a further two (2) years. At completion it is expected that all networks (LV & MV) will be upgraded, safety standards will have been met, service connections replaced and metering systems updated and replaced. This will extend the lifespan of the distribution networks for an estimated further 30 years, or longer, dependent on circumstances such as development, disaster etc. This programme is dependent on the capital and operational funding made available within the approved budget.

The municipality has applied for funding of R 3 M from the Department of Energy for projects within Sterkspruit, inclusive of pre-payment split phase metering that is "smart ready". Huet Street in Lady Grey upgrade of 22Kv line was also approved. Barkly East 22 Kv upgrade was also approved. Within Sterkspruit, extension 4, the extension of MV and LV lines were approved.

According to STATSSA, 2011 it is noted that for lighting, the majority of residents are utilising electricity. More specifically it has been noted that: 31 038 (STATSSA 2011) residents are using electricity. On municipal calculations, there are a total of 41 453 households within the area currently, of which there is still an existing backlog of 5 652 resulting in an increase of households using electricity to be at 35 801, or 86.4%.

Challenges and Comments in Electricity Provision

- Limited financial resources to accommodate required upgrades to old and ageing infrastructure;
- Data for the correct implementation of free basic services for electricity supply and alternative energy;
- Motivating communities to accept non- grid electricity/alternative sources of power;
- The high number of schools, clinics and other social facilities that don't have a regular supply of electricity (if any supply at all);
- Affordability of the service, recognizing that Senqu has such a high rate of unemployment;
- Electricity cards are difficult to distribute as vendors are generally far from the rural areas and the population is widely spread over a large geographical area – in many cases with great difficulties being experienced in respect of transport;
- Electricity losses due to theft, poor metering, poor networks and incorrect accounts (although it is noted that this is improving). Losses have increased from 13.95% in 2014/15 to 16.76% 2015/16, the increase is due to faulty meters and not being able to access to meters in order for readings to be done, hence the metering project from DoE.2014/15 financial year. Kwh loss = 1 568 329/ R2 736 332.60 and 2015/16 are 2 153 539 / R 3 879 476.98;
- Meter reading dates between the municipality and Eskom result in in-accurate electricity information. The installation of AMI (smart metering) will resolve this matter once implemented; as will the installation of buly meters as per and when budget is allocated.
- An insufficient maintenance fund – this is required to be increased;
- It is noted that Electricity backlogs in the rural areas (Eskom) - specifically non-grid areas) are being addressed too slowly by Eskom, in terms of the INEP. Eskom was presumed to be licensed for these areas. Notwithstanding, it is noted that over 86.4 % of the municipality has been served (Municipal information) based on a total household count of 41 453.
- The Council has resolved to distribute electricity under the Senqu license within the commonage areas surrounding the towns. The starting point was "Newtown" or "Boyce Nondala" as it is now known. This application was made in terms of the Electricity Regulation Act of 2006, during 2013. Negotiations with Eskom have taken place but disappointingly did not prove favourable to the

municipality. The matter was elevated to NERSA level, with no current success but Eskom will be given one final opportunity to reconsider their position. Thereafter Council will be informed and further or no action will take place, dependent on Council resolution.

- A meeting was organised with Eskom and the DoE in June 2016 where information on the Eskom electrification was forthcoming, after a three year delay. Correspondence was sent in August 2015 to the DoE in regard to the non-reporting of Eskom but was not even acknowledged. At the meeting, the DoE requested the municipality to assist Eskom with rural electrification as Eskom had admitted insufficient capacity. This was agreed to in order to speed up the roll out services to the communities, and applications were submitted to the DoE.

- SALGA needs to take up the matter of electrical distribution rights within municipalities which will require a change to legislation as Eskom does not accede to existing areas of their "claimed" area of distribution being transferred to municipalities. This is despite that the funds were allocated for use within the municipality in terms of DORA, therefore they have not spent any of their own funds on the capital cost but reap the benefit. The Electrical Regulation Act, 2006, requires that anyone wishing to distribute within any area must first make an application to NERSA, of which Eskom has not done.

- Supply Chain Management is impractical in application when it comes to the rural circumstances and attempts to source suitable service providers, which results in lengthily delays in service delivery;
- The lack of sufficient funding to obtain a full staff complement and scarcity of skills that is experienced.
- The lengthily break down in plant, vehicles and equipment is having a serious impact on projects and municipal income as both are disrupted when this occurs. Vehicles outdated and Cherry pickers need urgent replacement.
- Risks associated with the abuse of vehicles however this will be managed through the use of Tracker Satellite System.
- This is compounded by the matter of interns and job creation staff not allowed to work overtime or be on standby. The negative ripple effect is unavoidable and management need to rethink this strategy as it is not working and also

contributes to targets not being achieved as most projects are done over week ends and there is insufficient permanent staff.

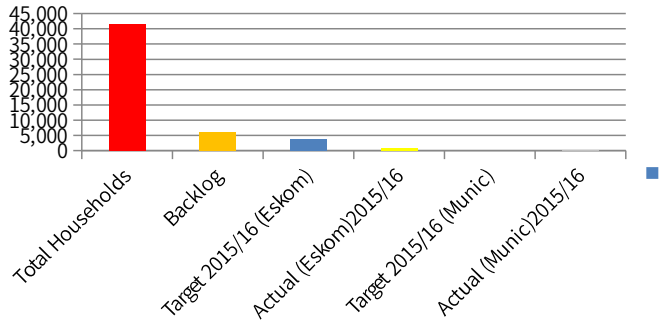
- Advanced Metering Infrastructure (AMI) metering is due for installation in Sterkspruit with R 3 M approved funding from the DoE in the next financial year.
- The target percentage was previously 15% but COGTA has now regulated that this will be 10% nationally and the municipality has accordingly reset its target to 10%. It is expected that this target will be met by June 2018 (resource dependent);
- Two auto re-closer' s have been installed in Lady Grey and Barkly East. The control circuits are in process of being done. This is expected to be completed by June 2017. Sterkspruit will require a budget adjustment in the new FY year in order to be completed by June 2017. This will assist all Senqu consumers greatly by reducing outage times on recoverable faults and reduce cost to the municipality in terms of labour and travelling.
- 3 809 meters of electrical MV & LV conductor was replaced in Barkly East, Lady Grey and Sterkspruit (Original Target was 3 106 m); The target was exceeded due to previous years projects which were still work in progress and was material on site.
- 8 Transformers were refurbished (Original target 10) Discrepancy due to emergency replacement transformers ;
- 28 New connections;
- 278 Disconnections for non-payment;
- 154 reconnections for non-payment;
- 293 meters replaced;
- 210 call outs received and dealt with;
- 2 217 hour overtime worked;
- 187 service connection faults;
- 65 Overhead distribution faults;
- 14 Underground cable faults
- 137 street light complaints received and dealt with;
- 32 new street light fittings (LG);
- 63 street lights replaced in Barkly East and 82 in Sterkspruit
- 3 High mast light towers refurbished in Barkly East;
- 427 Street Light repairs;

- Outages:
  - Municipal: Unplanned: 17
  - Municipal: Planned: 15
  - Eskom: Unplanned: 15
  - Eskom: Planned: 4
- Illegal connections: 2;
- Procurement tenders have delayed the implementation of projects due to lengthily SCM processes resulting in material being received late (March & May 2016) as procurement was stopped by the CFO in quarter 1.
- As Eskom is currently the supplier in rural areas and does not allow other utilities to utilise their infrastructure, it is expensive to supply public lighting due to infrastructure duplication; and
- New Eskom connections: 714

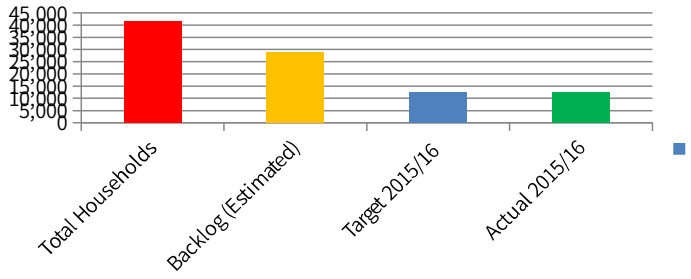
Progress to date is reflected as follows (taken from the reviewed IDP 2011-2016)

	INDICATOR NAME	TOTAL NUMBER OF HOUSEHOLD/ CUSTOMER EXPECTED TO BENEFIT	ESTIMATED BACKLOGS (ACTUAL NUMBERS)	TARGET SET FOR THE FINANCIAL YEAR UNDER REVIEW (ACTUAL NUMBERS)	NUMBERS OF HOUSEHOLDS/ CUSTOMERS REACHED DURING THE FINANCIAL YEAR	PERCENTAGE OF ACHIEVEMENT DURING THE YEAR
1	Percentage of households with access to electricity services	Est 97% in urban Est 68% in rural	282 (urban – land invasion) 5 652 (Rural)	0 (done on application) 3 756	28 new connections (Urban-On demand) 714 (Rural)	100% 19% (Eskom)
2.	Percentage of indigent households with access to basic electricity services	100% of applicants (Urban) 100% of applicants (Rural)	On application 28 900 (Rural -estimated)	700 (Urban)	700 (Urban) 11498 (Rural)	100% 100%
3	Percentage of indigent households with access to free alternative energy sources	1% (Rossouw/ Kwezi Naledi (Paraffin & candles) for a short period before electrification.	5 756 (rural)	500 (rural)	602 (rural)	120.4%

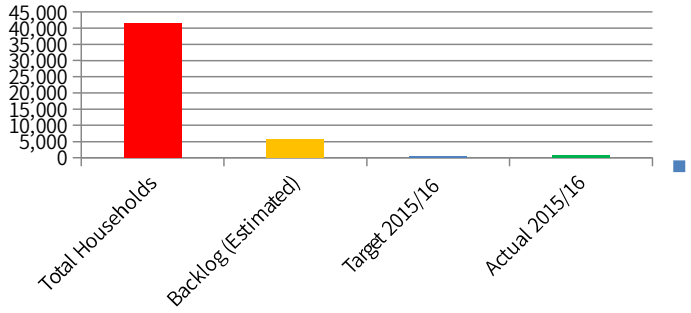
ELECTRICITY BACKLOGS AS INDICATED



FREE BASIC ELECTRICY (FBE)AS INDICATED

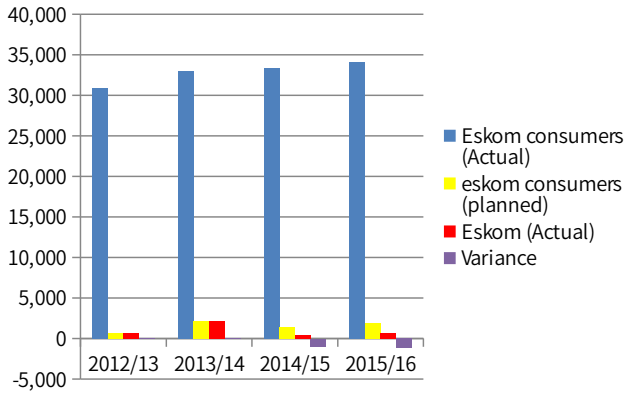


FREE BASIC ALTERNATIVE ENERGY (FBAE) AS INDICATED



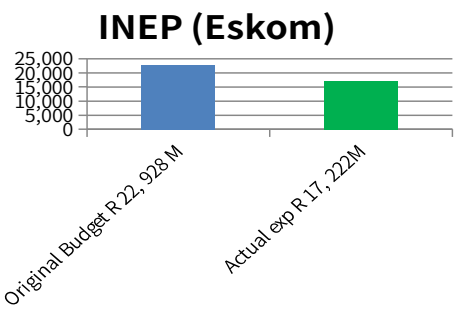
ESKOM DISTRIBUTION (RURAL AREA)

ELECTRICITY SERVICE DELIVERY LEVELS				
				Households (Eskom Area)
Description	**2012/13**	**2013/14**	**2014/15**	**2015/16**
	Actual No.	**Actual No.**	**Actual No.**	**Actual No.**
Energy: (above minimum level)				
Electricity – prepaid (min. service level)	30 866	32 953	33 350	34 064
Minimum Service Level and Above sub-	30 866	32 953	33 350	34 064
Minimum Service Level and Above	78.85%	80.12%	81.13%	85.3%
Energy: (below minimum level)				
Electricity (<min. service level)	0	0	0	0
Electricity-prepaid (<min. service level)	0	0	0	0
Other energy sources	0	0	0	183
Below Minimum Service Level sub-total	7565	7180	9 074	5 756
Below Minimum Service Level Percentage	19.88%	18.87%	21.9%	14.7%
Total number of households	38 046	38 046	41 408	41 453



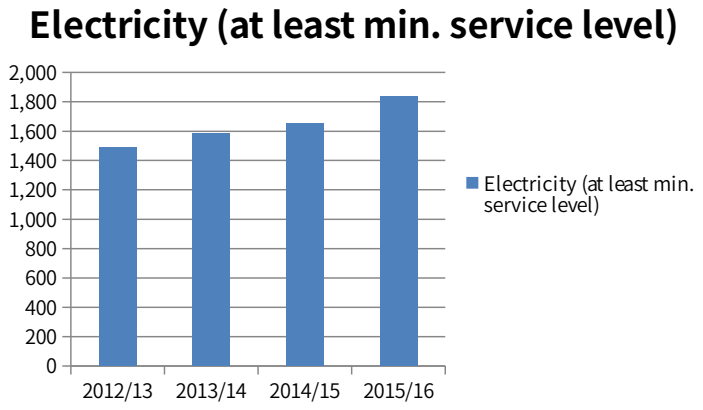
HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM (ESKOM)

HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM ESKOM AREA						
						Households
Description	**2013/14**	**2014/15**	**2015/16**	**2015/2016 '000**		
	Actual No.	**Actual No.**		**Original Budget No.**	**Adjusted Budget No.**	**Actual No.**
Formal Settlements						
Total households	38 046	41 408	41 453	-	-	-
Households below	7180	9 074	5 756	22 928	22 928	17 222
Proportion of households				-	-	-
below minimum service levels	18.8%	21.9%	13.8%	-	-	-
Informal Settlements						
Total households	Info	Availabl		-	-	-
Households below minimum service Level	Info	Above		-	-	-
Proportion of households below minimum service levels				-	-	-
				-	-	-



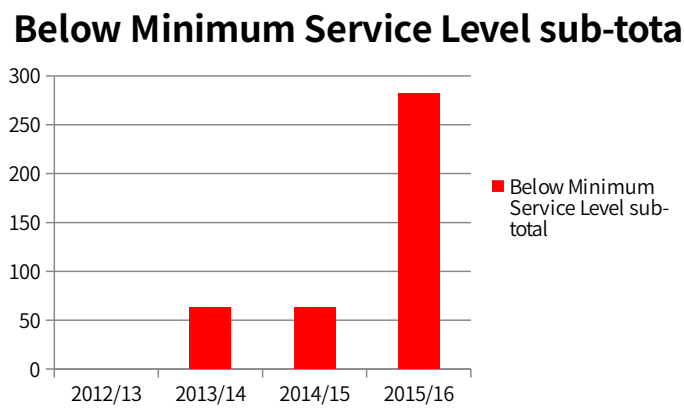
Informal sector data is notoriously unreliable and, by its nature, not conducive to quantification.

ELECTRICITY SERVICE DELIVERY LEVELS ESKOM AREA Households (Municipal)				
Description	**2012/13**	**2013/14**	**2014/15**	**2015/16**
	Actual	**Actual**	**Actual**	**Actual**
Energy: (above minimum level)				
Electricity (at least min. service level)	1 492	1 583	1 652	1 834
Electricity – prepaid (min. service level)	641	641	691	1150
Minimum Service Level and Above sub-	1427	1 583	1 652	
Minimum Service Level and Above Percentage	95.71%	95.77%	95.83%	89.7%
Energy: (below minimum level)				
Electricity (<min. service level)	0	0	282	282
Electricity-prepaid (<min. service level)	0	0	0	0
Other energy sources	65	118	0	602
Below Minimum Service Level sub-total	63	63	282	282
Below Minimum Service Level	4.10%	4.25%	4.29%	10.3%
Total number of households	1516	1538	1557	2 718



MUNICIPAL SUPPLY

MUNICIPAL – NO SUPPLY



HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM MUNICIPAL AREA				
				HOUSEHOLDS
Description	2012/13	2013/14	2014/15	2015/16

	Actual No.	Actual No.	Actual No.	Original Budget No.	Actual No.	Original Budget
Formal Settlements	1516	1538	1557	1 557	2 718	1 557
Total households						
Households below minimum service Level	0	0	0	0	0	0
Proportion of households below minimum service levels	0	0	0	0	0	0
Informal Settlements						-
Total households	0	0	0	-	0	-
Households below minimum service Level	0	63	63	63	282	63
Proportion of households below	0%	0%	4%	- 2.3%	10.3%	- 63

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	Outline Service Targets	2014/2015		2015/2016				*Current Year	*Following Year
							Target		
		Target	Actual	Target		Actual	2015/16	2016/2017	
		*Previous Year		*Previous Year	*Current Year				
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (No elect.)	1 384 (Eskom) Municipal on application	397 (Eskom) 91 (Municipal)	1 384 (Eskom) Municipal on application	1 878 (Eskom) Municipal on application	Eskom – 714 Municipality -28	Eskom Planned: 1 878 Municipality : On application		Planned Eskom = 1 335 Municipal: 282
Facilitate the provision to access to adequate basic services in the area of Electricity / Reduce backlogs in service delivery in	Reports developed to detail manner in which backlogs for electricity& roads will be alleviated & sustained with financial planning All Wards/ Provision of Implementation plan & quarterly reports to detail manner in which backlogs will be	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports

the areas of Electricity	managed/ Municipal Manager/ Manager TS								

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP (CONT.)									
Service Objective	Outline Service Targets	2014/2015		2015/2016				*Current Year	*Following Year
		Target	Actual	Target		Actual	2015/2016	Target	
		*Previous Year	*Current Year	*Previous Year	*Current Year			2016/2017	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Facilitate a improved electricity infrastructure and service provision as per implementation strategy and plan	Management , monitoring & oversight to ensure improved electricity infrastructure &service provision as per implementation strategy & plan in respect of report on no of New connections (no of application) /no new meters installed/ changed serviced /repaired & no new conductors replaced /networks changed /establish	Reduce Electricity losses to below 20%	217 Disconnections 2 illegal Connection 6 666m of MV conductor upgraded 147 meters replaced 12 Transformers refurbished Reduce Electricity losses to 18.3%% 91 New connections 487 Street repairs 141 Service faults 41 OH Faults 343 Complaints	Reduce Electricity losses to below 20%	Reduce Electricity losses to below 15%	3 809 meters of electrical MV & LV conductor was replaced in Barkly East, Lady Grey and Sterkspruit (Original Target was 3 106 m); The target was exceeded due to previous years projects which were still work in progress and was material on site. 8 Transformers were refurbished (Original target 10) Discrepancy due to emergency replacement transformers 28 New connections; 278 Disconnections for non-payment; 154 reconnections for non-payment; 293 meters replaced; 210 call outs received and dealt with; 2 217 hour overtime worked; 187 service connection faults; 65 Overhead distribution faults; 14 Underground cable faults 137 street light complaints received and dealt with; 32 new street light fittings (LG); 63 street lights replaced in Barkly East and 82 in Sterkspruit 3 High mast light towers refurbished in Barkly East; 427 Street Light repairs; Outages:	Losses increased from 13.95% in 2014/15 to 16.76% in 2015/16	Reduce losses to under 12%	Reduce losses to below 12%

	a store		dealt with 345 Hrs Overtime			• Municipal: Unplanned: 17 • Municipal: Planned: 15 • Eskom: Unplanned: 15 • Eskom: Planned: 4 • Illegal connections: 2;			

Table: Employee Statistics: Electrical Services

EMPLOYEES: ELECTRICITY SERVICES					
Job Level TASK SYSTEM	**Year 1**	**Year 0**			
	Employees No.	**Posts No.**	**Employees No.**	**Vacancies (full time equivalents) No.**	**Vacancies (as a % of total posts)**
0-3		0	0	0	0%
4-6	7	7	7	0	0%
7-9	0	0	0	0	0%
10-12	3	2	2	0	0%
13-15		1	1	0	0%
16-18	1	1	1	0	0%
19-20			-	0	0%
Total	11	11	11	0	0%

*Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days*

Note: No funded vacant positions exist for this year.

FINANCIAL PERFORMANCE YEAR 0: ELECTRICITY SERVICES R'000					
Details	**2014/15**	**2015/16**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	36 263	39 106	39 106	34 830	4 276
Expenditure					
Employees	2 946	3 104	3 104	4 203	-35.41%
Repairs and Maintenance	1 890	2 030	2 030	1 625	19.95%
Other	28 618	33 972	33 972	29 002	14.63%
Total Operational	33 455	39 106	39 106	34 830	10.93%

Expenditure					
Net Operational Expenditure	2 808				

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual

CAPITAL EXPENDITURE YEAR 2015/2016 : ELECTRICITY SERVICES ESKOM (RURAL AREA) R' 000 (Ex VAT)					
Capital Projects	**2015/16**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Total All		-	-	-	
Farm Dweller H/Hs	-	-	-	-	-
Rural H/Hs	22 928	N/A	17 193	5 735	22 928
Rural H/Hs	-	-	-	-	-
Rural H/Hs	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). *NOTE: No detail can be provided as information to be provided by ESKOM.*					

CAPITAL EXPENDITURE YEAR 2015/2016: ELECTRICITY SERVICES MUNICIPAL AREA R' 000 (Ex VAT)					
Capital Projects	**2015/16**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Total All					
Tools & Equip & Vehicles	946	844	780	64	780
Infrastructure	1 040	1 040	580	460	1 040

	--	--	--	--	--
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

OPERATIONAL EXPENDITURE 2015/16: STREET LIGHTING				
Details	2015/16			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 933	1 933	1 277	656
Expenditure				
Employees	559	559	501	10.38%
Repairs and Maintenance	408	408	258	36.77%
Other	966	966	518	46.38%
Total Operational Expenditure	1 933	1 933	1 277	33.94%

CAPITAL EXPENDITURE YEAR 2015/2016: ELECTRICITY SERVICES (Street Lighting) MUNICIPAL AREA R' 000 (Ex VAT)					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All					
Tools & Equip & Vehicles	0	0	0	0	0
Infrastructure	3 202	3 202	1 830	1 372	3 202

Comments on Electricity Services Performance Overall

The primary role of the Eskom projects is to reduce rural backlogs on an ongoing basis in terms of the INEP. Despite this, it is the intention of the municipality to apply to NERSA for some areas at the discretion of the Council. In support of this, the role of municipalities (in terms of related projects) is to obtain equipment and to upgrade infrastructure (including metering) on an ongoing basis, so as to reduce

electricity losses, increase safety and stabilize the power supply. Eskom has its own maintenance programmes, as does the municipality.

Within this period the municipality has:

- Taken appropriate steps to facilitate the takeover of the Barkly East' s new 802 housing project from ESKOM. To date, the final response is awaited from NERSA;
- The following rural projects were identified by Eskom for the 2015/16 national financial year, despite no communication with the municipality:

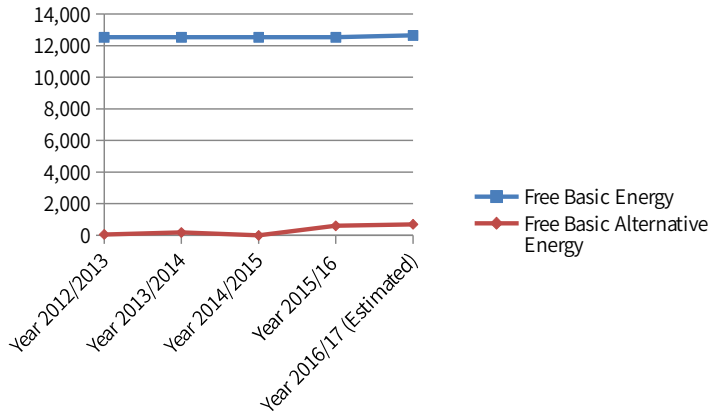
    - Hillside : 115 connections (Target; 2140
    - Wards 1, 7 & 8 extensions: 0 (Target 229)
    - Wards 4, 5 & 15 Extensions: 0 (Target 229
    - Wards 4, 5 & 15 link line: 0
    - Wards 6, 9 & 10 Extensions; 167 (Target; 156)
    - Wards 6, 9 & 10 link line: 0

- Municipal Projects implemented were as follows:
    - Maintenance – Ongoing
    - 1 x Cherry Picker purchased
    - Prepayment metering
    - Construction of MV Overhead line – Empilisweni Hospital – Work in progress
    - Construction of MV Overhead line – Phomolong to Ext 4 – Work in progress
    - Construction of 1 km LV ABC line – Ext 4 – Work in progress
    - Fencing – Sterkspruit store – Complete
    - Street Lights – Walton & Cloete Streets – Lady Grey – Work in progress
    - Street lights – Dwars street – Lady Grey – Work in Progress
    - Street Lights – Kwezi Naledi – Lady Grey – Work in Progress
    - Lombard farm – Barkly East – Work in progress.
    - Maintenance of high mast lights – Barkly East – Completed
    - MV Line to Rocky Park – Barkly East – Completed
    - Blue Gums Community hall electrification – Completed
    - MV OH line in Zwelitswa – Sterkspruit - Complete
    - LV OH line in Zwelitswa – Sterkspruit – Complete
    - Street Lights – Zwelitswa – Sterkspruit-Complete

- MV OH line – Mlamli road – Sterkspruit – Complete
- Installation of new transformer at borehole – Barkly East – Complete
- Van Wyk farm LV ABC line – Barkly East – Complete

- All electrical projects have been included within the IDP. Service Level Agreements are being renewed with Eskom for the supply of FBE in rural areas and electrical supply to the towns of Sterkspruit, Lady Grey and Barkly East for redistribution in terms of the NERSA license.

HOUSEHOLDS RECEIVING FREE BASIC ENERGY



HOUSEHOLDS RECEIVING FREE BASIC ENERGY (AS DEPICTED BY THE GRAPH ABOVE)

	Year 2012/2013 (Estimated)	Year 2013/2014	Year 2014/2015	Year 2015/16	Year 2016/17 (Estimated)
Free Basic Energy	12 523	12 523	12 523	12 523	12 529
Free Basic Alternative Energy	63	181	0	602	700

Free Basic Services to Low Income Households										
	Number of Households									
	Total	Households earning less than R2 920 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	39 438	16 007	JGDM	%	JGDM	%	12 523	32%	Unavailable	?

Year -1	41 408		JGDM		JGDM		12 523	30.4%	Unavailable	?
Year 0	41 453		JGDM		JGDM		12 529	30.22	2 420	5.83%

FINANCIAL PERFORMANCE YEAR 2015/2016: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED '000					
Services Delivered	**Year 2014/2015**	**Year 2015/2016**			
	Actual	**Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Services Delivered	**Year 2014/2015**	**Year 2015/2016**	**Services Delivered**	**Year 2014/2015**	**Year 2015/2016**
	Actual	**Budget**		**Actual**	**Budget**
Water	JGDM	--	--	--	--
Waste Water (Sanitation)	JGDM	--	--	--	--
Electricity	6 750	5 985	5 985	5 077	15.2%
Waste Management (Solid Waste)	4 265	4 299	4 299	4 485	-4.33%
Total	11 015	10 284	10 284	9 562	7.02%
*(to be advised)					T 3.6.4

Please Note: Water & Sanitation is not a Senqu Function but that of Joe Gqabi district Municipality.

FREE BASIC SERVICE OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	**Outline Service Targets**	**2014/15**		**2015/16**			**2016/17**	**2016/17**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(viii)**	**(viii)**	**(ix)**	**(x)**
Service Objectives									
Provision of alternative energy support to low income households that do not received free basic services	Low Income Households (LIHs) who do not receive all free basic services but **do** receive alternative support (total number of LIHs not in receipt of free basic services)	0 HHs receiving support	0HHs receiving support	0 HHs receiving support	445 HHs	602 HHs receiving support	602 HHs receiving support	602 HHs receiving support)	602 HHs
Facilitate the provision to access to adequate basic Electricity : Free Basic Electricity of 50 Kwh	Report on number indigent households receiving free basic services / inclusive of expenditure	12 000	12 523	12 000	12 523	12 529	12 523	12 523	12 523
*Note: This statement should include no more that the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *' Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round, *' Current Year' refers to the targets set in the Year 0 Budget/IDP round. *' Following Year' refers to the targets set in the Year 1 Budget/DP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and Chapter 6*									

*sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.***3**

3.2 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING

(moved from Community Services Directorate to Technical Services Directorate with the mSCOA implementation)

Introduction to Waste Management

The main objectives of the solid waste management is to improve the management of the environment and create a healthy and aesthetic living environment for all. The piece of Legislation most pertinent to the management of waste in South Africa is the recently enacted National Environmental Management Waste Act, (Act 59 of 2008). The act was promulgated in order to provide for institutional arrangement and planning matters, to provide for national norms and standards for regulating management of waste by all spheres of government, to provide for the licensing and control of waste management activities and all matters connected therewith. In essence it provides the much needed legislative framework for the management of waste in South Africa.

Other objectives of Solid Waste Management are:

- Promoting and ensuring the effective delivery of waste services.
- Achieving Integrated waste management reporting and planning
- Avoiding and minimising the generation of waste
- Reducing, re-using recycling and recovering waste
- Preventing pollution and ecological degradation
- Conduct efficient and effective waste awareness Campaigns
- To ensure that people are aware of the impact of waste on their health, well-being and the environment
- To provide for compliance with the measures set out in the Act.

It is the overall intention and objective of waste management to improve the management of the environment, to combat illegal dumping and to ensure that all refuse and waste is removed and disposed of timeously and in the appropriate manner.

In an effort to achieve these objectives the following targets were identified for implementation in the 2015/2016 FY:

- The calibration of the installed weighbridges in Lady Grey and Barkly East;{ Not completed – SCM]
- The renovation of the control rooms in Barkly East and Lady Grey. [Completed]
- Increased access to basic levels of waste management services, specifically in rural areas.[In process and will be ongoing in phases but dependent upon resources allocated]
- Licensing of Solid Waste Sites [EIA challenges and very little progress due to land issues and poor service providers; this affects Sterkspruit, Rhodes, Rossouw and Herschel]
- The Department of Environmental Affairs is assisting the municipality in the EIA and licensing of the Barkly East site and the license is expected to be issued in September 2016. The Senqu Municipality extends its thanks to the department for this assistance.
- A long term re-cycling project was to have started in the year but was cancelled by the CFO for unknown reasons that have still not been made clear.
- The lining of the SWS' s in Barkly East and Lady Grey were also cancelled and moved to the following year due to lengthily SCM processes.
- The rural solid waste storage project was also not implemented due to lengthily SCM delays.
- The fencing of the old Sterkspruit SWS could not be completed due to theft of materials as they were being erected. This was reported to the SAPS.
- A new tip truck was purchased in order to implement the Council strategy of extending waste collection into the rural areas. This was implemented in March

2016 but the matter of getting households registered on the billing system and Indigent register is still continuing.

- The endorsed Integrated Waste Management Plan (IWMP) was only received in May 2016 and Council notified thereof. This will however need to be reviewed on an annual basis as it is considered a "living " document but no funds are available within the budget for the coming FY.
- Awareness campaigns were successful in wards 10, 11, 14, 16 and 19.
- In terms of staff, three Waste Supervisors were appointed for Barkly East, Lady Grey and Rhodes [A replacement for the Supervisor that retired]
- Waste collection in all the areas is done efficiently as possible despite insufficient plant and staff but illegal dumping is a huge problem.

Waste Sites

Waste sites are located in Lady Grey, Barkly East, Sterkspruit, Rhodes and Rossouw. One licenced site is in Lady Grey while Barkly East is in process and should be completed in September 2016. The other three (3) unlicensed sites are in Sterkspruit, Rossouw, and Rhodes. While all of these are operational, specifics in terms of each of these sites is detailed in the table that follows.

Specifics in terms of each of these sites is detailed below:

- Insufficient staff
- Old vehicles
- Inadequate plant and equipment to manage solid waste disposal sites in terms of legislation
- Breakdown of vehicles (no mechanic available for maintenance)
- Non-compliance of legislation with the resulting consequences
- Removal of the recycling project and related components
- Delay in terms of SWS lining projects due to SCM processes
- In general, Solid Waste is not receiving the resources required, in order to meet Constitutional and legislative requirements.

Status of landfill sites:

LANDFILL SITE	STATUS QUO AND CONDITIONS
Lady Grey Landfill Site	• Classified as G.S.B- [Class D] • Licensed for operational (16/2/7/D120/D8/Z1) • No plant or equipment for proper cover and compaction of disposed waste • Waste is incinerated and disposed of in a cell (Now illegal but due to lack of plant this practice is continuing) • Control rooms renovated to enable for the operation of the weigh bridges • Landfill site fenced, for access control • Cells are still to be lined • Weighbridge is still to be calibrated.
Sterkspruit Landfill Site (old Site)	• The municipality received a Closure License; which is valid for the period of four (4) years [June 2018] and the license Holder must initiate a closure process and the permit review process 5 years from the date of issue. (HO/A/14/L043/14) • Burning of waste in the cell (Now illegal) • The site is in the process of being fenced, but the community are damaging and stealing the fence as it is erected, • No plant and equipment for proper cover and compaction • The site does not comply with OHS in terms health and safety of the employees [No toilets, no shelter and no running water]
Sterkspruit (New)	• The municipality has expropriated land in Tapoleng village where a new disposal site is to be developed. • Progress regarding the EIA is a concern: DEDEAT is still awaiting submission of EIR from the Consultant in order to finalise the EIA. • The municipality is facing two major issues, the first being the possibility of a fine if the old site is not physically closed by 2018 and the second is that should the new site not be completed by 30 June 2017, waste will have to be moved to Lady Grey with the resulting reduction of the disposal site design horizon and associated costs involved. The Lady Grey SWS will only be available for an estimated 3 months thereafter all waste will need to be transported to Barkly East which will only be effective for an estimated 2 months**. Thereafter solid waste management will be untenable**.

LANDFILL SITE	STATUS QUO AND CONDITIONS
Hershel landfill Site	• There is no landfill facility • Application Closed by DEDEAT 09 December 2015 due to insufficient information from the Consultant • The municipality has budgeted for the establishment of the landfill site. • There is a challenge of land ownership between the municipality and the Traditional Leaders, which has resulted in the delay of undertaking of the EIA process • Waste is transported to Lady Grey and Sterkspruit.
Rural waste storages (drop off zones)	The project could not start due to uncertainty of the Specifications Committee about the specification submitted by Technical department, although the department requests were correct, but was stopped by SCM.
Rossouw Landfill Site	• The site is unlicensed • Application closed by DEDEAT 09 December 2015 • New land has been established for the development of the landfill facility • The application was closed by DEA due to insufficient information from the Terreco Environmental CC who were appointed to conduct the EIA process • Site is situated near the Wasbank River. • Waste is burnt and not covered (Illegal) • No plant and equipment • No permanent staff • Not complying with the legislation.
Barkly East Landfill Site	• The landfill site is not officially licensed as proof of license is not available from the DEDEAT or the department of Water and Sanitation. • Department of Environmental Affairs initiated and funded the re-licensing of the Barkly East Landfill site and the process of the EIA started in August 2015, final scoping report has been approved by DEA. It is expected that the license

	will be awarded around September 2016. • There is no burning of waste in the site as the incinerator has collapsed but this is to legislative advantage. • No plant and equipment for cover and proper compaction • The cells are still to be lined • The weighbridge is still to be calibrated
Rhodes Landfill Site	• DEA has since closed the application due insufficient information from Terreco: closed 29 September 2014 • Application was closed because of an objection received from the public. • Landfill site is not licensed • The site is operating ineffectively due to limited equipment • The site is not managed according to the current legislation requirements • Waste is covered but not properly compacted • Does not accept Hazardous waste and Medical Waste • The site may have to be re-sited due too possible use by the Water Services Provider.

NOTE:

- The Sterkspruit Waste Site is reaching the end of its life cycle and the municipality has to ensure the new site is operational by June 2017, which is unlikely. This may result in sanction against the municipality due to non-compliance.
- Medical waste for the 4 hospitals and 14 clinics is collected by a company called Compass Waste and this was organised by the Department of Health.
- Environmental Health Practitioners are responsible for the control of waste management at clinics, being under the supervision of a Chief Environmental Health Practitioner. Monthly reports are received on SWS' s but are mostly negative due to insufficient resources and SCM delays.

Refuse Removal

The Constitution of the Country places the responsibility on government to ensure that such services are progressively expanded to all, within the limits of the available resources. Municipal policy is progressively moving towards Universal Access to Waste Management.

Currently the municipality only provides waste collection services to the community and private enterprises of:

- Lady Grey
- Barkly East
- Rhodes and
- Sterkspruit
- Herschel
- Started in Mokhesi and Tienbank [rural]

Estimated cost to extending waste services to rural areas of Sterkspruit is very difficult as the method of service provision remains to be finalised and will require a phased approach dependent on resources made available.

With no waste collection taking place in the rural areas, illegal dumping as well as burning of waste is taking place and it is a huge problem within the municipality.

This problem further compounds the effect of contamination, pollution, damage to tourist assets and the environment.

There is no capacity for policing of illegal dumping or implementation of bylaws.

Waste is collected weekly from households and twice or thrice in a week from business within the areas of collection. Residential and most commercial waste is kerbside collection.

Metric Tonnage collected per annum

- Barkly East: 1824.66 T
- Lady Grey : 693.39 T
- Sterkspruit : 1714.37 T
- Rhodes : 137.35 T
- Herschel : 107.01 T

Households served (as per IWMP 2013).

- 2258 households in Barkly East;
- 149 in Herschel;
- 1871 in Lady Grey;
- 144 in Rhodes;
- 57 in Rossouw; and
- 539 in Sterkspruit

Recycling

The municipality did budget for the development of a recycling plan (masterplan) to guide and assist the municipality on the development and implementation of sustainable recycling, involving recycling centres, communities, training, and buy back centres. This was rejected by the CFO (Aliwal North/ SDBIP Meeting).

There are only a few informal recycling programmes in Senqu Municipality, extracting less than 1% of the potential recyclable product.

The recycling plan was going to assist in many ways in that the municipality could explore in terms of waste diversion from landfill sites to recycling initiatives thus ensuring a longer design horizon.

Therefore, in the current year, no initiatives are underway for waste avoidance with exception of awareness campaigns.

Comments:

- The lady Grey weigh bridge is installed but no functional due to the fact there was no electricity for the operation of the weighbridge, and also it

could not be calibrated to test the functionality. This could have been done with a temporary supply but the project was stopped by SCM.

- The electricity section is in process of installing permanent electricity to the Lady Grey control room; but there is a challenge regarding site security.
- Barkly East also has a weigh bridge but is not operational as it also requires calibration.
- During the financial of 2015/2016 it is worth noting that a waste tipper truck was purchased in order to extend was to part of rural areas around Sterkspruit (Tienbank, Mokhesi, Tapoleng).
- There are still challenges regarding the insertion of the new consumers into the billing system but the matter is still in progress and is expected to be completed before December 2016.

Integrated Waste Management Plan

- The IWMP has been endorsed by the MEC of Environmental Affairs and reported to Council

- Not budgeted for review
- DEA will expect quarterly reports now that the IWMP has been endorsed regarding the implementation of the IWMP

Waste Awareness

- Public awareness and education is an important factor in sustainable waste management. Waste awareness initiatives have been implemented through the use of the departmental waste interns under the programme of Cokisa
- The Youth on Waste Jobs has conducted door to door awareness and education to all communities in Lady Grey, Sterkspruit, Herschel, Rhodes and Barkly East. Also the awareness and education was conducted in five Schools: one in Sterkspruit; two in Lady Grey; two in Barkly East and one in Rhodes
- Limited budget is a challenge

- In order to achieve sustainable waste management, it is imperative that the public become aware and educated about waste issues.

Waste By-Laws

- Current Waste By-Laws for Senqu are ineffective
- By Laws have been gazetted but do not comply with NEMWA but a Service Provider has been appointed to review all the By –Laws

Staff challenges:

- There were two funded vacant positions for the 2015/16 FY which were both filled and one replacement.
- Shortage of staff in Lady Grey, Rhodes, Herschel
- No permanent employed staff in Rossouw to oversee waste management and landfill site management
- Sterkspruit: No permanent staff for landfill management (poses high risk)
- No job creation staff were been employed for Solid Waste Management for 2015/2016 as the department is currently, jointly, using Job Creation Staff with Community Services
- No Operator/ Driver at Herschel and Rossouw
- Shortage of an Operator/Driver at Rhodes as only one available (it is a challenge when he is on leave etc.)

TABLE: EMPLOYEE STATISTICS (WASTE MANAGEMENT)

EMPLOYEES: WASTE MANAGEMENT SERVICES					
Job Level TASK SYSTEM	2014/15	2015/16			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3	53	54	53	1	0.4
4-6	5	12	12	0	0

7-9	0	0	0	0	0
10-12	3	4	4	O	0
13-15		1	1	0	0
16-18					
19-20					
Total	61	71	70	1	0.4

*Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

FINANCIAL PERFORMANCE YEAR 0: SOLID WASTE MANAGEMENT SERVICES R' 000					
Details	**2014/15**	**2015/16**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	Unavailable	20 888	20 888	16 947	0
Expenditure					
Employees	Unavailable	10 184	10 184	9 818	3.59%
Repairs and Maintenance	Unavailable	1 912	1 912	430	77.51%
Other	Unavailable	8 792	8 792	6 699	23.81%
Total Operational Expenditure	Unavailable	20 888	20 888	16 947	18.87%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual					

Capital Expenditure Year 2015/2016: Solid Waste Management Services Municipal Areas R' 000 (ex VAT)					
Capital Projects	**2015/2016**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from Original**	**Total Project Value**

				Budget	
Total All	1 525	1 210	1 276	249	1 276
Vehicles and Truck	1 000	707	612	95	612
LDV	260	238	272		272
Infrastructure	250	250	0	250	8 000
Cameras	15	15	12	3	12
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)					

Waste management challenges

These include:

- Solid Waste Site compliance;
- Ensuring that sites comply in respect of the Occupational Health and Safety Act. Risk exists not only to the staff working on these sites, but for the general public (and those found scavenging at the sites);[Access control]
- Limited waste collection services – being applied only to urban residents;
- Limited recycling and waste avoidance initiatives (extracting less than 1 % of the potential recyclable material).
- The calibration of the weighbridges in Barkly East and Lady Grey [Accuracy of data]
- The non-purchasing of sufficient refuse bins
- Limited funding to implement waste awareness campaigns.
- Disposal of waste is a significant challenge and is currently not complying with legislation.
- There is no electronic WIS at the landfill sites;
- There is no facility available to dispose of hazardous material;
- There is little intervention or planning for medium to long term with regard to facilities, equipment and human resources.
- No Leachate Management Plan exists
- While the Integrated Waste Management Plan was endorsed, Waste By-laws for Senqu are insufficient.
- There is a lack of formal data in terms of the efficiency of collection and inadequate records regarding the quantities and types of waste collected and disposed.

- Illegal dumping occurs frequently, and particularly in Sterkspruit, shop owners dump their waste on the sidewalks on days when waste is not collected. At times waste is set alight within containers creating a pollution and fire risk within Sterkspruit. The use of cages is now promoted and waste is collected more frequently in the centre of town. Suitable action is taken against shop owners who persist in behaving in this manner. In Barkly East and Lady Grey it is found that garden refuse and building rubble are the main contents of illegal dumping. No formal initiative is currently underway to address illegal dumping.

In an effort to resolve some of these challenges:

- Waste awareness campaigns are carried out in order to increase awareness regarding recycling and reusing waste to prevent unnecessary collection of waste. The hazards of illegal dumping are highlighted
- An integrated waste management plan and recycling plan was promoted. This plan proposed recycling options particularly in Sterkspruit and the Waste Manager is currently in the process of trying to co-ordinate waste activities in such a manner that recycled waste can be collected but there is insufficient facilities plant, equipment and staff. Despite this, recycling projects have been started in Barkly East, Sterkspruit and Lady Grey. The Lady Grey recycling deals primarily with bottles. The Barkly East project has failed.
- MIG funding has been set aside for the construction of new compliant solid waste sites, in the outer years.
- The issue of EIA's not being completed is leading to disastrous delays in terms of solid waste infrastructure, specifically the new Sterkspruit site.
- Animals ripping refuse disposal bags apart is contributing hugely in terms of time taken to collect refuse, which in turn reduces productivity and increases costs.

3.3 HOUSING

Introduction to Housing

Until five (5) years ago, Senqu Municipality was the developer for housing projects. This function then became the responsibility of the Department of Human Settlements. Since this period, the department has been the implementer of housing projects, services and the top structures. This was conducted through the Department of Human Settlement's own procurement procedures and service providers.

The municipality assists the department and this function by engaging in the following activities:

- beneficiary identification and registration for RDP houses;
- ensuring land availability;
- Assisting the Department of Human Settlements by providing assistance to beneficiaries in filling out deeds of sale for the department to transfer the properties to the beneficiaries through their appointed conveyancers; and
- Assisting the Department with the establishment of a Housing Sector Plan (an attachment to the IDP). The municipality is currently using the 2013-2018 plan, which has been recently updated and adopted by Council.

In an attempt to realign municipal departments with the Treasury GFS functions under mSCOA, housing was moved to the Department of Development & Town Planning Services (D&TPS). Housing was also considered not be a municipal function and officials were reallocated to posts within EPWP and LED. However this has proved to be a misunderstanding of the regulations and within the 2016/17 financial year the position of officials will be re-evaluated but will remain in D &TPS.

The Housing Sector Plan for the municipality was re-adopted on the 20 March 2013 in order to accommodate changes to the identified needs of the community. This has now being totally revised and after taking into account more detailed studies, this will now provide the municipality with a more realistic backlog. The current total backlog is estimated at 26 775.

It must be noted that the majority of Senqu households enjoy access to the RDP. Minimum levels of basic services in respect of housing are reflected as (95.16%). Notwithstanding, the IDP cites a housing backlog in Senqu Municipality of 10 761 with 1 752 in the urban area and 9009 in the rural area (Housing Sector Plan 2011).

According to the results of surveys conducted by STATSSA, 2011 - 70 % of households live in a formal dwelling and 68.5 % own their own dwelling.

It must be noted that the Spatial Development Framework (SDF) has identified land in all towns for future housing developments. This SDF is required to be

updated to a more detailed municipal wide plan in accordance with the new SPLUMA that will take effect in July 2015. A land audit was conducted and available land was identified for resale to the general public for individual residential development. This exercise will take place in terms of the SCM Regulation of August 2014. This land audit has been undertaken by the Housing Unit and is considered to be 90% credible.

- The Rhodes and Rossouw projects were approved in the 2010/11 FY but to date only the Rossouw project has been completed. The first phase of the Rhodes green field project is still awaiting an EIA approval but construction in phase (an in-situ project (not requiring EIA) is under construction. It was due to be completed by December 2015 but construction was delayed due to internal issues within the Depart of Human Settlements , the drought and severe snow incidents which struck the district during the 2015/16 FY. 25 houses will be completed in the 2016/17 FY;
- The Housing Sector Plan was reviewed in 2013;
- It is noted that Land Invasion had caused delays to the Herschel Housing Project. More specifically, only 505 units of the original 700 units were constructed. The Council took the decision to reduce this project to 505 units and identify other land for a new project registration that would accommodate the shortfall. To date this has not yet been acknowledged by the department, despite correspondence and meetings. Local politicians were to meet with the Tugela Tribal authority to resolve the matter but this did not occur due to unrest in the Sterkspruit/Herschel area;
- The 76 middle income sites in Sterkspruit are still under land invasion and there is still no movement on the installation of water and sewerage services in order to allow development to take place. Various applications were submitted for RDP and middle income units (500 each) for Sterkspruit, Lady Grey and Barkly East and 4000 rural low cost units. The land identification process for the Sterkspruit 4000 units in rural areas has been very challenged due to disputes with the village headman. Notwithstanding it must be noted that the land has been identified for all villages who will benefit from the 4000 units project;

- According to the data that has been collected for the housing database, the housing backlog is estimated at 26 775. Notwithstanding, the Department of Human Settlements has a screening method to determine those who qualify for housing subsidies, using the Housing Subsidy System (HSS). The disqualification criteria includes: a history of property ownership, higher income (individual/combined with spouse) etcetera. Acknowledging this, an HSS screened list of potential beneficiaries provides the most accurate reflection of this backlog;
- There is currently legal action being taken against land invasion but legal matters are costly and a drawn out process. These processes have been underway for the last 8 years without success to date;
- A great challenge continues to be experienced regarding the fact that in many cases beneficiaries allocated to housing units become "lost" for various reasons and wrong erf allocations. This then results in the de-registration and registration of new applicants. The transfer of erven in order to achieve title deeds depends on professional legal people and in some cases this process occurs at a very slow rate. In the current year, 22 transfers were completed and 234 Deeds of Sale were submitted;
- There are currently insufficient resources to enable the municipality to become more efficient within this area of service delivery. In this regard the municipality took a decision that they would apply for accreditation to be able to do the entire housing process in the future. This has not been resourced to date; and
- Illegal building within the Sterkspruit rural area remains a huge challenge that the municipality does not have the capacity to deal with. Traditional leaders complicate land and building matters further by allocating land and allowing building operations on an ad-hoc basis. This in turn places a severe strain on service delivery.

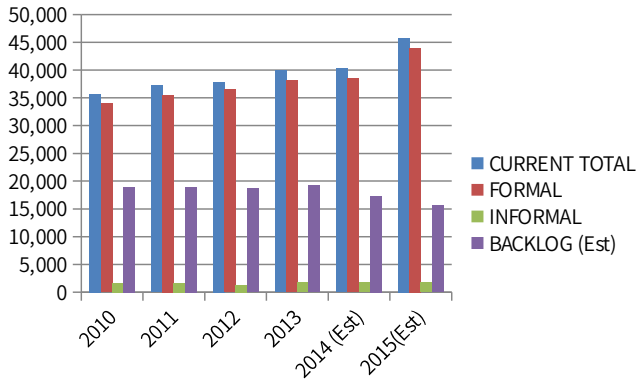
During the 2015/2016 period it is noted that:

- The Draft Housing Sector Plan was required to be reviewed. This has been achieved, and the plan is required to be submitted to the Department of Human Settlements for approval prior to submitting this to Council;
- The establishment and updating of the Housing Beneficiaries Database target was met with a variance of 17%. While the beneficiaries list is well maintained, performance is affected by a shortage of human capital in Housing and shortage of computers for capturing the data. The data has been collected from all wards but only 16 have been captured i.e. 83% of the target has been achieved;
- The transfer of 100 houses in Lady Grey, 100 in Barkly East, 20 in Rhodes and 10 houses in Rossouw has been achieved for the most part, although difficulties are experienced in locating rightful owners to complete the deed of sale;
- Challenges regarding illegal buildings within the rural area remain a challenge;
- The organisation continues to be challenged regarding the fact that in many cases, beneficiaries allocated to housing units become lost for various reasons and wrong erf allocations. This then results in the de-registration and registration of new applicants. The transfer of erven in order to achieve title depends on professional legal people and in some cases this process occurs at a very slow rate. 1 418 units were constructed.
- The Housing Projects, Rhodes 200 and Rossouw 100, both commenced in the current financial year 2015/2016 however these projects were not completed.

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING 2015/2016			
Year end	**Total households (including formal and informal settlements)**	**Households in formal settlements**	**Percentage of HHs in formal settlements**
Year -3	37 168	35 527	95%
Year -2	37 856	37 786	99%
Year-1	39 990	38 200	95%

Year 0	41 408	39 618	92.5%

HOUSING BACKLOGS



As per the IDP future Housing Projects are reflected as follows:

WARD	FINANCIAL YEAR	NUMBER OF UNITS
16(RHODES)	2014/15	200
17(ROSSOUW)	2014/15	100
8	2014/15(Application Only)	1000
10	2015/16 (Construction)	2000
9	2015/16 (Construction)	1000
17	2015/16 (Construction)	1000
18	2014/15 (Application Only)	1000
18	2016/17(Construction)	1000
8	2016/17 (Construction)	1000
10, 14, 16 &19	2016/17 (Construction)	500 UNITS EACH (1500)

HOUSING SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	**Outline Service Targets**	**2013/14**		**2014/15**			**2015/16**	**2016/17**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(viii)**	**(viii)**	**(ix)**	**(x)**
Service Objectives									
Provision for housing for all households	Additional houses provided during the year (Houses required at year end)	300 additional houses (14 986 houses required)	1 418 additional houses (13 568 houses required)	300 additional houses (13 568 houses required)	302 additional houses (13 266 houses required)		4000 additional houses (9 262 houses required)	4000	3 500 additional houses (5 762 houses required)
Facilitate housing project(s)/ implementation	Evidence of facilitation efforts/reports / Database updated	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports
Ensure Housing Sector Plan adopted by Council	Council resolution of Housing Sector Plan	0	0	0	1	1	1	1	1

*Note: This statement should include no more that the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round, *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/DP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and Chapter*

6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

TABLE: EMPLOYEE STATISTICS (HOUSING SERVICES)

EMPLOYEES: HOUSING SERVICES					
Job Level	2014/15	2015/16			
TASK SYSTEM	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3	0	0	0	0	0%
4-6	2	1	1	0	0%
7-9	0	0	0	0	0%
10-12	2	1	1	0	0%
13-15	1	1	1	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	5	3	3	0	0%

*Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

Note: No funded vacancies exist for the current year.

FINANCIAL PERFORMANCE YEAR 2014/2015 : HOUSING SERVICES					R' 000
Details	2014/15	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	252	16 854	22 854		41.53%
Expenditure	-	-	-	-	-
Employees	928	2 035	1 809	1 118	-11.89%
Repairs and Maintenance	0	0	0	0	
Other	466	2 005	2 072	786	3%

Total Operational Expenditure	1394	4 040	3 881	1 905	16.3%
Net Operational Expenditure	-1142	-4 023	-3 857	1 859	-4.08%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual..					

NOTE: Senqu Municipality no longer has any capital expenditure on housing with the exception of the blocked projects of Herschel (which is in process of being reduced as reported above) and two houses in Hillside (due to payment problems between the department and the contractor). Hillside and Herschel housing projects are done on an agency basis and are not considered to be capital expenditure for the municipality.

Comment on the Performance of the Housing Service Overall

As already detailed, Senqu Municipality is no longer involved in the capital construction of housing projects but only assists in an administrative manner with regard to beneficiaries (considered as operational);

- The delivery of housing units is slow due to: poor communication and cooperation from the department of Human Settlements; late approval of the Housing Sector Plan (due to the Department of Human Settlement not yet having submitted); insufficient data to engage in informed planning and last but not least, the difficult and sometimes inaccessibility of sites in the rural areas in order to deliver materials and construct (due to poor road access, and intermittent water supply) which affects construction and increases project costs in general;
- The quality of workmanship is also a worrying factor as the municipality has no control thereof. This is reliant on the Department of Human Settlements which conducts the related quality control. The Hillside Project bears testimony to this in that: of the 998 units already built, 603 required rectification and the DHS is aware of this. This issue will be accommodated in the revised Housing Sector Plan. Clearly this questions and raises extreme doubt regarding the construction quality. In this regard it must be noted that the department is

clearly aware of this situation, having been informed of this by the municipality;

- The municipality no longer has control of any housing capital projects. The operational budget variance was due to poor performance on the part of service providers (conveyancers) in transferring the title deed to the beneficiaries. The municipality will be removing non-performing service providers in an effort to remedy this; and
- There is an urgent need for middle and rental housing within the area and these applications have been submitted.
- The issue of disaster housing is gaining importance. Persons applying for emergency houses wait for a long time as the Department of Human Settlements waits until it gets a certain number of houses in the area before it contracts a person to build them.
- Housing staff were trained on the HSS system and the Housing needs register. This will hopefully decrease allegations of corruption as persons cannot be removed from the list or moved up or down. It is a national list.

3.4 FREE BASIC SERVICES

Introduction to Free Basic Services (FBS) and Indigent Support

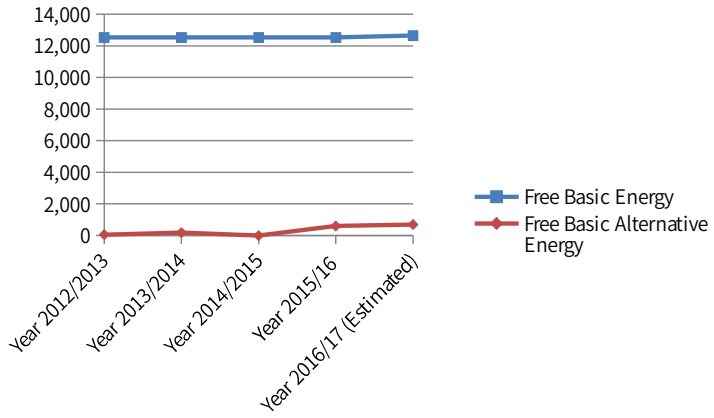
In terms of its powers and functions, the Joe Gqabi District Municipality is the Water Services Authority and is therefore responsible for the implementation of all water and sewerage services, including FBS. Senqu Municipality, in conjunction with Eskom, is responsible for FBE (Free Basic Energy) and FBAE (Free Basic Alternative Energy). There is a SLA in place with Eskom for FBE in the rural areas. Senqu Municipality has both an Indigent and a FBE Policy in place. These cater for any household earning a combined income of no more than twice the official old age pension, which changes on an annual basis. This then entitles them to receive Free Basic Energy or Free Basic Alternative Energy. Free Basic Solid Waste Removal is included in indigent households.

Senqu Municipality supplies 602 households to villages in the rural area with Free Basic Alternative Energy (FBAE) in the form of paraffin and candles. A drive is underway to update the Indigent Register which is planned for completion by March 2017.

There are currently a total of 12 523 households [Registered] still eligible to receive Free Basic Energy (FBE) of 50 Kwh/month. There has been no improvement on the previous year which can be attributed to the challenges associated with collecting information to complete a substantiated Indigent Register. Of these households, 700 are within the Senqu licensed area and 11 829 under the Eskom "licensed" area. An average of 8 527 households per month are utilising this service. This is a decrease in usage of the service by 1 264 households. This is due to Eskom changing meters and not recording or forwarding updated data to the municipality and possible unknown factors as Eskom does not communicate very well..

In an effort to effectively facilitate and champion the registration of free basic service delivery (FBS) within the community, the Council has formed a special Free Basic Services Committee which only sat in March and unfortunately and notwithstanding the best of intentions this committee could not sit in June due to the municipal elections.

HOUSEHOLDS RECEIVING FREE BASIC ENERGY



HOUSEHOLDS RECEIVING FREE BASIC ENERGY (AS DEPICTED BY THE GRAPH ABOVE)

	Year 2012/2013 (Estimated)	Year 2013/2014	Year 2014/2015	Year 2015/16	Year 2016/17 (Estimated)
Free Basic Energy	12 523	12 523	12 523	12 523	12 529
Free Basic Alternative Energy	63	181	0	602	700

Free Basic Services to Low Income Households										
	Number of Households									
	Total	Households earning less than R2 920 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
			Access	%	Access	%	Access	%	Access	%
Year -2	39 438	16 007	JGDM	%	JGDM	%	12 523	32%	TBA	?
Year -1	41 408		JGDM		JGDM		12 523	30.4%		?
Year 0	41 453		JGDM		JGDM		12 529	30.4	3 293	7.95 %

FINANCIAL PERFORMANCE YEAR 205/2016: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED '000					
Services Delivered	Year 2014/2015	Year 2015/2016			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	JGDM	--	--	--	--
Waste Water (Sanitation)	JGDM	--	--	--	--
Electricity	6 750	5 985	5 985	5 077	15.2%
Waste Management (Solid Waste)	4 265	4 299	4 299	4 485	-4.33%
Total	11 015	10 284	10 284	9 562	7.02%

*(to be advised)	T 3.6.4

FREE BASIC SERVICE OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	**Outline Service Targets**	**2014/15**		**2015/16**			**2016/17**	**2016/17**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(viii)**	**(viii)**	**(ix)**	**(x)**
Service Objectives									
Provision of alternative energy support to low income households that do not received free basic services	Low Income Households (LIHs) who do not receive all free basic services but **do** receive alternative support (total number of LIHs not in receipt of free basic services)	0 HHs receiving support	0HHs receiving support	0 HHs receiving support	445 HHs	602 HHs receiving support	602 HHs receiving support	602 HHs receiving support)	700 HHs
Facilitate the provision to access to adequate basic Electricity : Free Basic Electricity of 50 Kwh	Report on number indigent households receiving free basic services / inclusive of expenditure	12 000	12 523	12 000	12 523	12 529	12 523	12 523	12 650

*Note: This statement should include no more that the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *' Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round, *' Current Year' refers to the targets set in the Year 0 Budget/IDP round. *' Following Year' refers to the targets set in the Year 1 Budget/DP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and Chapter 6*

*sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.***3**

Comment on Free Basic Services and Indigent Support:

It must be noted that these policies are revised annually and FBS are paid for out of the Equitable Share grant as allocated under the DORA. The current budget year allocation was:

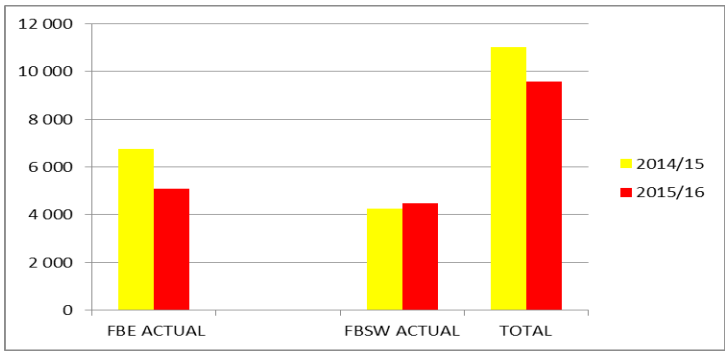
- Free Basic Energy: R 5.985 M of which R 5.077 M was utilised (84.8% Expenditure).
- The Joe Gqabi DM is the Water Services Authority and deals with all aspects of water and sewerage services, while the Senqu Municipality Technical Services Department is now responsible for Solid Waste matters as of the 1st July 2015.
- Free Basic Refuse Removal: R 4.299 M and expenditure was R 4.485 M.
- Total FBS budget was R 10.284 M of which R 9.562 M was expended leaving a budget variance under-expenditure of 7.02%.
- The electricity consumption is difficult to calculate as some households require the FBE units every month while others only obtain these once every 2- 3 months, and therefore consumers are calculated on households that are registered.
- There is currently only one (1) dedicated staff member for the FBS function. Notwithstanding it is the intention to employ an intern, with the possibility of long term employment, to assist with FBS due to the magnitude of the service. The intention is to achieve a permanent FBS Unit within the next 3 years, budget dependent.
- Free Basic Alternative Energy has been supplied monthly to 602 households in the form of 10 litres paraffin and 6 candles per household.
- A total of 147 runners were used in all wards to collect information on backlogs and indigent households. The success rate is estimated at 70% as there was distrust between the community and the runners, failure to fill in appropriate documentation etc. Budget was made to employ 190 runners in total but ward councillors in some areas failed to assist in terms of appointing the 10 runners required for each ward.

- Due to the above, the strategy has changed in that application has been made to SASSA for a copy of their Senqu area data base to assist in identifying indigent households. This request was made in January 2016. Province has sent the request to National but to date no information is forthcoming therefore the use of Ward meetings will be used in the coming year to inform the community, through ward councillors, and registration for FBE and possible solid waste removal will again be undertaken to identify indigent households.
- In areas that will not be grid electrified, the municipality will be doing applications to the DoE for solar energy, after assessment of the need is complete.
- Applications have been submitted to the DoE for Solar Water Heaters for areas where criteria are met.

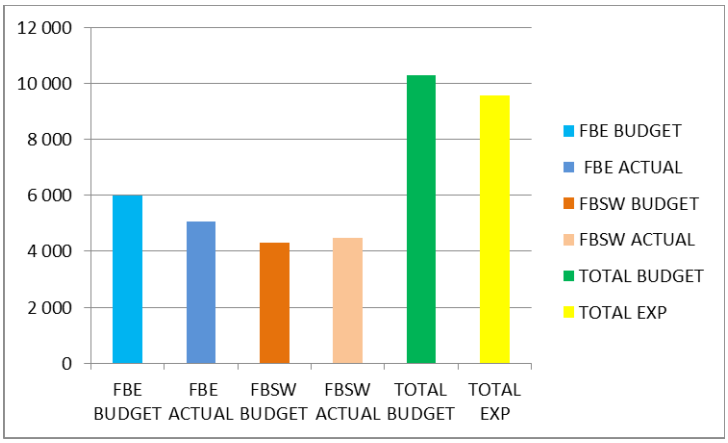
Challenges

- Unreliable vehicle (2006 model)
- Delivery logistics
- Insufficient staff
- Insufficient data
- Insufficient political assistance
- Insufficient operational budget
- SCM time.

FBS Actual Expenditure



Budget vs. Expenditure: FBS



FREE BASIC SERVICES

	Year 2013/2014	Year 2014/2015	Year 2015/2016
Budget	6 255	7 755	10 284
Expenditure	7264	8 933	9 562

NOTE: There is to be a concerted effort made to increase FBE in the new financial year.

COMPONENT B : ROAD TRANSPORT (ROADS, TRANSPORT AND WASTE WATER (STORMWATER DRAINAGE)

3.5 ROADS

Introduction to Roads

Senqu Municipality has the largest and longest amount of unsurfaced main roads and access roads. Senqu has the second longest road length after Gariep.

The transport Plan is done by the Joe Gqabi District Municipality with input from all local municipalities. Roads Forums are championed by the DRPW but are seldom successful due to non-attendance of stakeholders and from the municipal side, insufficient staff.

An analysis of tarred roads shows that: the provincial trunk road (the R58 is in reasonable condition and is now maintained by SANRAL. Rock falls are often experienced in cuttings after heavy rainfalls and this impacts negatively on tourism (as the main point of entry to the municipality). In this regard, this needs to be a provincial priority. The R 393 between Lady Grey and Sterkspuit is mostly in good

condition but livestock on the road are common place as a result of having been stolen or due to poor/lack of fencing. The balance of the Musong access road which was partly upgraded to bitumen will soon be upgraded by the DRPW. (9.2km).

In terms of Gravel/ Unsurfaced Roads it is fair to say that, despite maintenance by the DRPW, most of provincially maintained gravel roads have deteriorated significantly to the level where they need extensive re-gravelling and low level bridges need repair or replacing. The DRPW needs to re-think their strategy in that investigation should be done into a more sustainable road surface process (interlock paving) as the quantity and quality of gravel is diminishing. The end result is people being unable to access goods and services or having to pay high prices for transport of goods and persons due to poor or impassable roads. This is compounded by extreme weather conditions such as flooding and snow. A number of roads have been prioritised for re-gravelling and priority upgrading.

These include:

- R 396 from Barkly East to Rhodes as this is an important tourist destination;
- Access roads to the 7 gravel passes of Lundeansneck, Jouberts, Otto du Plessis, Carlisleshoek DR 03230, Volunteers (MN 20635), Bastervoetpad, and Naudesnek (R396). These passes incorporate 3 of the highest passes in South Africa. In addition the roads lead to Tiffindell ski resort – the only ski resort in South Africa.
- DR 393 to Lundean's neck and Sterkspruit from Barkly East
- Upgrade of DR 03214, DR 03221, DR 3222

Access roads to hospitals and villages

- Khiba DR 08526 road
- Coville DR 08510 road
- Mlamli DR 08606 road

- Herschel to Manxeba to Sterkspruit DR 08511 road. (Interlock paving/Asphalt surfacing)
- Road from Sterkspruit to Holo Hlahatsi Dam DR 08521/DR 08516 (previously Jozanashoek dam) (Interlockpaving / Asphalt surfacing).
- Herschel/Manxeba/Sterkspruit (interlock paving/asphault0
- Access Roads are required to be maintained by municipalities in terms of the Municipal Structures Act (although this is not financially viable for Senqu Municipality to get to all roads on a frequency desired for optimal maintenance). The municipality inherited a backlog of maintenance of existing access roads as well as many villages which don't have access roads or internal roads. Taking this into account together with the acknowledgement of the small tax base and high levels of unemployment, it is observed that the municipality is heavily reliant upon MIG grant funding for construction and rehabilitation of roads infrastructure and equitable share for the repair and maintenance of roads.

Simply put, in terms of Powers and Functions, Senqu is responsible for all access and municipal roads in its area. The balance of the roads falls under the powers and functions of the Department of Roads and Public Works (DRPW).

In the 2015/16 FY 8 km of gravel roads were constructed and 1.39 km of roads upgraded to interlock paving. This was undertaken under the MIG programme. The internal Roads Department maintained 114.339km of road. Overall it is noted that the level of road services in rural areas is low, where most roads are gravel. The Municipality has engaged its municipal wards to identify priority access roads that need surfacing/paving.. These however will still require a massive financial injection. Current gravel roads backlog in Senqu is estimated at 360.2 km.

Streets within towns are the responsibility of the relevant local authority. Streets within townships in all the urban settlements are of reasonable condition but

there is still localized flooding in bad weather, impassable roads and poor access. The original RDP housing constructed in Kwezi Naledi has contributed to the original flooding challenge due to incorrect building practices (Not above Natural Ground Level), community blocking storm water flow through illegal access constructions and dumping of waste in storm water channels.

Senqu Municipality does not have any entities responsible for rendering road maintenance services within the municipality. Capital projects are done through the procurement of professional service providers and contractors and funded through the MIG programme. Capital projects are identified through the IDP process and prioritised by the IDP & Budget Steering Committee, dependent on available funding. These priorities change periodically to suit the changing needs of the community. Additionally it must be noted that the weather patterns (heavy rain/snowfall) wreak havoc on the gravel roads and this in turn may lead to changes within the MTERF.

As the quality and quantity of gravel is rapidly dwindling within the area, the use of gravel access roads is currently being phased out in terms of use of interlock paving, which is sustainable and has a high job creation content. This has been incorporated into the adopted Roads Policy that it will construct sustainable roads as well as be an on-going sustainable source of job creation for years to come. If it is considered to manufacture our own paving stones, an estimated cost of R 54 M will be required in start-up capital. Such an enterprise would lead to cheaper sustainable roads and permanent employment opportunities for years to come.

The municipality currently has its own roads team that was used in construction, rehabilitation and maintenance projects until recently when Council resolved that the team be used for maintenance only. This has also been incorporated into the adopted Roads Policy. While this may provide a boost to the current road infrastructure lifespan, it must be emphasized that this is a short term benefit in the narrowest sense as this area is too large in order for the roads team to be

considered efficient and the maintenance of municipal roads in urban areas is also dealt with by the roads team. Unfortunately some roads require major maintenance and need to be re-gravelled, which then slows down the maintenance program which in turn then affects performance targets. To date, the performance target has been exceeded due to dedication of the internal Roads Department.

The Council has an approved roads maintenance plan for the whole Senqu area but unfortunately, each constructed/rehabilitated road will only be visited once every 2/3 years as there is insufficient plant and operators. This is extremely inefficient as each road needs to be maintained at least once/year and also after heavy rainfall/snow. The cost of sufficient plant and staff to maintain the entire area will be high and therefore will need to be phased. The replacement of existing plant also needs to be considered.

In reality, backlogs will in all likelihood increase again once existing roads are impaired at the end of their life time. This will be due to the insufficient maintenance capability required to extend lifespans of the new roads. This has largely contributed to the Council policy of constructing more sustainable roads and creating jobs by use of interlock paving systems.

The above Roads Maintenance Plan has been implemented, per quarter as follows:

Quarter	Ward #	Type of Maintenance	Considerations	Planned Km SDBIP	Actual km	Road Surface
1	Ward 9, 7, 8, 3, 10, 17 & 1	Patch Gravel & Blading	Rural	42.604	62.438	Gravel
2	Ward 2, 6, 5,15,11, 4, 12 & 13	Patch Gravel & Blading	Rural	32	39.713	Gravel
3	Ward 14	Patch Gravel & Blading	Urban	7.250	7.670	Gravel

4	Ward 14	Patch Gravel & Blading	Urban	3.330	4.518	Gravel

Maintenance in urban areas takes longer than in rural areas due to more existing infrastructure, road furniture and access ramps.

The cost of plant purchases is split over various financial years by the municipality, budget dependent. There is however a need for more plant. The need for Plant Operators within the area is also a critical issue as they are scarce and tend to prefer to work in the private sector as the benefit is greater. The municipality is continuously busy with an on-going training programme that results in all operators obtaining official "Operator Certificates".

The matter of powers & functions sometimes leads to a frustrated community as the access roads of the municipality are often in better condition than the provincial roads. This can be attributed to lack of integration in the maintenance programmes. Meetings have been held with the local DRPW office but they also have resource issues.

During the current year the following pothole repairs were completed:

Barkly East: 1 723 (Target: 1 850) Total of the towns

Lady Grey: 2 498 (Target not set)

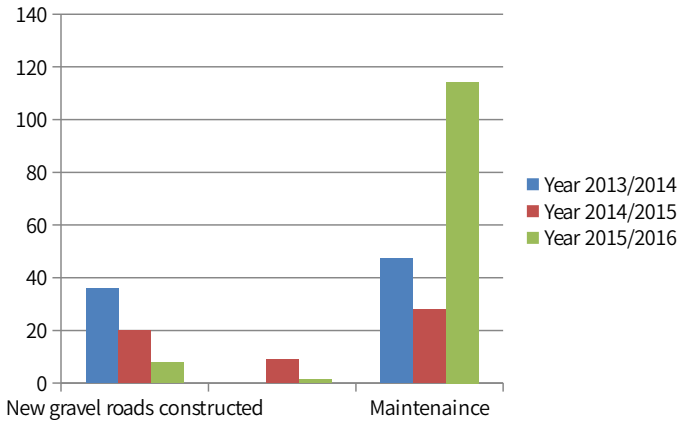
Sterkspruit: 1 742 (Target: 1 928)

It is difficult to establish targets on pothole repairs as they may increase due to poor weather. The drought that is currently in the areas has reduced potholes as there is less moisture. The Lady Grey target was not set as it was planned at the time to resurface all roads within Lady Grey. This however did not occur due to resource constraints. (Budget)

There are numerous bridges that need replacement/renovation within the area, but these are mainly on provincial roads for which the DRPW has insufficient budget.

GRAVEL ROAD INFRASTRUCTURE Kilometres				
	Total gravel roads	**New gravel roads constructed**	**Gravel roads upgraded to tar/Paving**	**Gravel roads graded/maintained/ fully re-gravelled**
Year 2013/2014	1122	35.8	0	47.425
Year 2014/2015	565	20	9.2	28.1
Year 2015/2016	573	8	1.39	114.339

NOTE: Only roads constructed by MIG and streets on the assets register are maintained as it is a condition of MIG to maintain infrastructure. There is insufficient capacity to do all roads within the area unless more resources are allocated in terms of plant and staff.



Gravel Roads constructed, upgraded and graded/maintained

TARRED ROAD INFRASTRUCTURE Kilometres					
	Total tarred roads	**New tar roads constructed**	**Existing tar roads re-tarred**	**Existing tar roads re-sheeted**	**Tar roads maintained**
Year 2013/2014	15	0	0	0	0
Year 2014/2015	15	0	0	0	0
Year 2015/2016	15	0	0	0	5 964 pothole repairs

COST OF CONSTRUCTION/MAINTENANCE R'000						
	Gravel			**Tar**		
	New	**Gravel-Tar**	**Maintained**	**New**	**Re-worked**	**Maintained**
Year 2012/2013	0		77	0	0	0
Year 2013/2014	0		822	0	0	0
Year 2015/2016	5 997	0	781	0	10 802	511

ROAD SERVICE OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	**Outline Service Targets**	**Year 2014/2015**		**Year 2015/2016**			**Year 2016/2017**	**Year 2017/18**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(viii)**	**(viii)**	**(ix)**	**(x)**
To upgrade and maintain current infrastructure :Internal Roads Team	Validation of km / Report quantifying the No. of kilometres/meters maintained/constructed internally	220 km or 18 km rehabilitation	28.1 rehabilitation	220 km or 18 km rehabilitation	85.184	114.339	54	70	70
To upgrade and maintain current infrastructure :Pedestrian and road Bridges	MIG Reports /consultant /contractors performance reporting Pedestrian and road Bridges constructed	1	1	1	2	2	0	0	2
To upgrade and construct new infrastructure :Access Roads	MIG Reports /consultant /contractors performance reporting /Validation of km / Report quantifying the No. of kilometres/meters of access road	9.2	9.2	9.2	9.39	9.39	11	11	0

	constructed								

*Note: This statement should include no more that the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *' Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round, *' Current Year' refers to the targets set in the Year 0 Budget/IDP round. *' Following Year' refers to the targets set in the Year 1 Budget/DP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and Chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

TABLE : EMPLOYEE STATISTICS (ROADS SERVICES)

Provided by Directorate of Technical Services

Please note that this information includes funded and unfunded vacant positions in terms of vacancies

EMPLOYEES: ROADS SERVICES					
Job Level	**Year 2014/2015**	**Year 2015/2016**			
	Employees No.	**Posts No.**	**Employees No.**	**Vacancies (full time equivalents) No.**	**Vacancies (as a % of total posts)**
0-3	1	10	2	8	80%
4-6	12	16	13	3	18.75%
7-9			0		-
10-12	1	2	1	1	50%
13-15	1	-	1	0	0%
16-18					
19-20					
Total	15	28	17	14	49.58%

*Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

Provided by Manager Human Resources and Labour

Please note that this information only includes funded vacancies

EMPLOYEES: ROADS SERVICES					
Job Level	**Year 2014/2015**	**Year 2015/2016**			
	Employees No.	**Posts No.**	**Employees No.**	**Vacancies**	**Vacancies**

				(full time equivalents) No.	(as a % of total posts)
0-3	2	2	1	1	5.5%
4-6	11	14	14		0%
7-9	0		0		-
10-12	2	1	1		0%
13-15		1	1		0%
16-18					
19-20					
Total	15	18	17	1	5.5%

*Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

Note: Roads & Stormwater is one section: There was only one post funded in the year: Superintendent: Roads, which was filled.

FINANCIAL PERFORMANCE YEAR 2015/2016: ROAD SERVICES R'000					
Details	Year 2014/ 2015	Year 2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		18 318	18 318	18 318	0
Expenditure					
Employees	2 426	3 486	3 486	3 070	11.93%
Repairs and Maintenance	1 731	1 838	1 838	1 293	29.65%

Other	13 005	12 994	12 994	11 682	10.10%
Total Operational Expenditure	17 162	18 318	18 318	16 045	12.41%

Comment on the Performance of Roads Overall

- Un-licensed borrow pits are a huge problem in terms of legislation, usage by all, and they are located mainly in tribal areas resulting in access problems by contractors due to the tribal authority/community interference.
- The quality and quantity of gravel available for roads construction is diminishing rapidly in the area and this then results in over-haulage raising costs of construction and maintenance. Accessibility to gravel requires roads to be constructed to borrow pits in order to procure gravel and leads to further delays.
- The municipality is working according to a Roads Maintenance Plan and the targets set for the year were exceeded by 29.155 km. The reason for this is that there was no travelling required for staff to site on Ward 14. The change in policy for the roads team to only do maintenance has greatly improved target acquisition.
- As part of the ongoing maintenance programme, the Council authorized the purchase of the following plant:
  - TLB (Purchased)

  The purchase of this TLB will greatly contribute to the current maintenance programme but it is a concern around the lack of sufficient equipment and procurement (non-responsive tenders and time) processes that impact negatively on service delivery.
- Production of the roads team is negatively affected by staff only arriving late on site and leaving early in order to arrive home at 5pm. This is being partially addressed by payment of overtime but is still insufficient to achieve full production. Mobile homes were purchased but there is a labour matter regarding camping allowance, which is still under investigation.
- SCM Regulations make it extremely difficult to repair plant in the rural areas.

- The implementation of mSCOA is a further complication as everyone in the municipality is still coming to terms thereof.
- Application was made to the DRPW and approved by the Provincial Treasury for the upgrading of the following roads:

  - Boyce Nondala (Barkly East) ; Paving, 1.5km; R 3 450 000
  - Skhisazana farm, new Access Road; 4.9km; R 7 000 000
  - Access Road; Ward 11; AC 20026 (Between DR 08605 & DR 08511); 6.5 km; R 5 175 000
  - Access road, Ward 10; AC 20045; 1.7 km; R 1 275 000

  The above funding was given to SANRAL for implementation of the projects which started in April 2016.

- The municipality seriously needs to consider the increase of plant and staff for roads maintenance in order to meet its Constitutional mandate and to physically implement sufficient roads maintenance.
- A professional GPS unit needs to be purchased in order to ensure no further differentiation is caused by target reporting which could ultimately lead to an audit qualification.
- Meetings have been held with the DRPW in order to integrate maintenance on all roads in the area and mutual assistance where possible

3.6 TRANSPORT (MOTOR VEHICLE LICENSING)

Introduction to Motor Vehicle Licencing

Senqu Municipality provides a road worthy and licencing service at the Traffic Testing

Station in Barkly East and Sterkspruit. The office at Sterkspruit is not yet fully operational .

More specifically, it must be noted that:

- The Grade A Traffic Test Station is situated in Barkly East. This test station is the seat of road worthy of vehicles, driver' s license testing and the like.
- This NATIS motor vehicle registration facility service is also rendered by Council on an agency basis for the Department of Transport in Lady Grey, Sterkspruit and Barkly East; and

Overall Traffic targets are reflected as follows:

- The provision of available facilities for the licensing of motor vehicles in existing centres;
- Maintaining and performing National Traffic Information System (Natis) on behalf of the Department of Transport;
- Establishing a Motor Vehicle Registration and licensing facility in Sterkspruit (approval required from the Department of Transport). Approval has been outstanding for quite some time and extends to the previous financial year. It is the intention to extend the centre to include a drive test centre. At this point the construction has been completed and the resources are available and we continue to await approval from DoRT; and
- Continuously updating and training staff on the operation of the Natis System.

TRAFFIC OPERATIONAL STATISTICS 2014/2015		TRAFFIC OPERATIONAL STATISTICS 2015/2016	
Vehicle Registration :	412	Vehicle Registration :	517
Learners Licence: Applicants	160	Learners Licence: Applicants	563
Passed	112	Passed	382
Failed	42	Failed	130
Absent	6	Absent	41
		Deferral	10

Drivers Licence:	Applicants	2575	Drivers Licence:	Applicants	3 083
	Passed	2023		Passed	2 369
	Failed	338		Failed	460
	Absent	214		Absent	184
				Deferral	70

Note: No roadworthy of vehicles was possible during the year due to the building being renovated and this impacted on learner's licence testing too.

The roadworthy testing in quarters 3 and 4 was not possible due to a delay in the Principle Engineer's Assessment Report from the Provincial Department of Transport.

TRAFFIC AND LICENCING STATISTICS

LICENCING REVENUE	ACTUAL REVENUE	BUDGET	ACTUAL REVENUE	BUDGET	ACTUAL REVENUE
	2013 - 2014	2014 - 2015	2014 - 2015	2015 - 2016	2015 - 2016
Traffic Fines	34 000	58 258	81 340	250 000	138 875
Duplicate Permits & Registration	58 338	38 838	88 470	44 944	38 025
Commission on M/V Registration & Prodiba Driver Licence Renew	697 869	582 576	558 894	1 273 600	1 080 375
Learner's Drivers Licence	86 424	291 288	45 507	337 080	135 670
Drivers Licences	993 827	774 224	827 675	898 880	874 664
Prodiba Driver Licence Renew	409 803	388 384	339 379		
Roadworthy; licences & permit				200 000	10 692
Total	**2 280 261**	**2 075 310**	**1 941 265**	**5 185 653**	**2 717 119**

Comment on the performance of Vehicle Licensing Overall

The overall performance on motor vehicles licensing has maintained the standard fairly well, noting that the DLTC was not operational for a half of the year due to renovations and the shortfall was contained to be less than 10%.

3.7 WASTEWATER (STORMWATER DRAINAGE)

Introduction to Storm Water Drainage

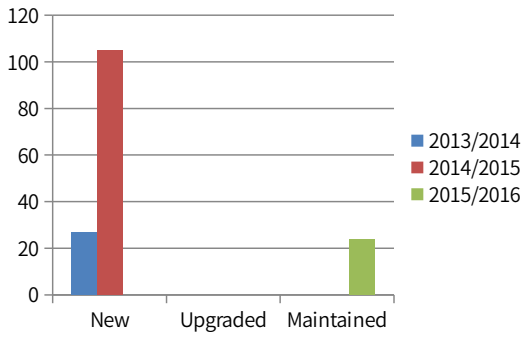
Senqu Municipality does not use entities to maintain storm water systems within the area. When required, capital construction is outsourced through the procurement policy for the services of a consultant and contractor and these projects are funded through the MIG programme. Due to the implementation of mSCOA, the cleansing of storm water drainage was moved from Technical Services Department to the Community Services Department, although any maintenance construction will remain with the Technical Services Department.

The on-going cleaning of the storm water system is conducted through the job creation programme as there is no designated permanent staff on the storm water function.

Historically there are storm water control issues throughout all the areas of Senqu, including the indigent and rural areas. The rural challenges have been caused by uncontrolled development as tribal authorities allocate land at will, and then services are demanded. The municipality does not have the capacity to deal with these matters. Indigent (RDP projects) have challenges in that the roads and storm water infrastructure are poorly constructed due to budget constraints on project funding which then leads to critical problems further down the line. People also interfere with their own constructions which then compounds the problems of blockages. Lady Grey, Barkly East and Herschel grey water is problematic in that it is required to be discharged into the storm water system, as there are no other options for managing this.

STORMWATER INFRASTRUCTURE				Kilometres
	Total Stormwater	New	Stormwater	Stormwater

	Measures	Stormwater Measures	Measures Upgraded	Measures Maintained
2013/2014	437.67	0	0	473.67
2014/2015	342.492	0	0	342.492
2015/2016	?	3597	0	?



STORM WATER EXPENDITURE

COST OF CONSTRUCTION / MAINTENANCE R' 000			
	Stormwater Measures (Incl Bridges)		
	New	Upgraded	Maintained
2013/2015	0	0	27
2014/2015	0	0	105
2015/2016	5 642	0	224

Storm Water

STORMWATER POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	**Outline Service Targets**	**Year 2014/2015**		**Year 2015/2016**			**Year 2016/2017**	**Year 2016/2017**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(viii)**	**(viii)**	**(ix)**	**(x)**
Service Objectives									
Storm water maintenance	Cleaning of storm water channels	300	342.492	300	300	433.47	?	?	?

Overall comments on the performance of storm water drainage*:*

The storm water capital programme is being dealt with on an on-going basis, as part of the roads programme, dependent on resources, although there have been dedicated projects in the past. These capital projects are now implemented by the Department of Development and Town Planning Services.

The job creation programme is used for cleaning existing systems on an on-going basis. This financial year, 473.67 km of drainage was cleaned through this programme.

- Storm water infrastructure physical repairs are dealt with by the roads maintenance team and cleansing within the job creation programme, under the supervision of the Community Services Department. Lack of capacity, and in an attempt to reduce costs, results in the roads and storm water function being considered as one operational priority (With the exception of cleaning). If one looks at the budget and the organogram, it will be seen that there is no dedicated storm water section in the organogram and there is very limited budget under the storm water section but the challenge is in the human and plant resources. (Budget allocation).
- There are very serious storm water issues in all the villages (86 of them) and within the Kwezi Naledi and Nkululeko townships. Rossouw has the biggest problem as there are insufficient roads & storm water infrastructure and the cost thereof will be extremely high compared to the benefit. As there is no town planning (historical) it is extremely difficult to control storm water, aside from the cost.
- Sterkspruit has mostly been dealt with although a few areas still require attention. These are slowly being addressed under the roads construction programme of the municipality but it will take years and an exorbitant amount of funding to address these challenges throughout the Senqu area. This on its

own remains a further motivation for sustainable roads and storm water systems. In short, gravel does not work and is compounded by the lack of capacity for maintenance.

- There is no dedicated Storm Water Department.
- There is no Storm Water master plan.

COMPONENT C: PLANNING AND DEVELOPMENT (Planning and local Economic Development)

3.8 PLANNING AND DEVELOPMENT (PLANNING & LED)

Introduction to Planning and Development

There is insufficient capacity (human and financial) within the Housing Unit to achieve accreditation at this point. In terms of the SCOA, the municipality will no longer be directly involved in housing as it is no longer a core function. The staff employed in this unit have been absorbed into the Development and Town Planning Directorate.

The Spatial Development Framework (SDF) was a shared responsibility between the IDP unit and the Town Planning unit. There were limited dedicated resources for the SDF during the 2014/15 FY. Despite this, due to non-responsive tenders, it was advertised twice. A service provider has been appointed to assist the municipality to review the SDF and Land Use Scheme, in terms of SPLUMA. [Spatial Planning and Land Use Management Act]. The SDF has been finalised and is awaiting council adoption. The SPLUMA bylaws were adopted by Council and promulgated in the government gazette on 13 June 2016.

The municipality has started on a wall-to-wall Land Use Scheme project. This is a requirement in terms of the Spatial Planning and Land Use Management Act 16 of 2013. The objective of this project is to have uniform town planning regulations for the entire municipal area that will also accommodate the needs of the rural community. This project commenced during the second quarter of this financial year and has also been finalised and is awaiting Council adoption. This tool will enable development to happen in a controlled manner and will assist in enforcing the principles of the Spatial Development Framework, however challenges will still be faced as there is currently one building control officer for the whole municipality.

Senqu Municipality is a large rural environment consisting of mountainous areas, 86 villages and the towns of Barkly East, Sterkspruit and Lady Grey as well as the hamlets of Rhodes, Rossouw and Herschel. This makes prioritised planning difficult as politically and realistically, not everyone can be kept happy.

Land invasion is still a big concern for the municipality. The Building Control unit attends to land invasion matters on a weekly basis and when an emergency arises. They issue out contravention notices to the invaders and give them time to comply. Regular site visits are conducted during this time and when the invaders do not comply, matters are then forwarded to the attorneys of the municipality.

The unit also attends to Town Planning and the National Building Regulations contraventions to ensure that the development occurs in a harmonious manner that will promote health, safety, social cohesion and economic development for the communities.

The challenge that the unit faces with attending to land invasion, town planning and building control is the insufficient staff, the lack of knowledge of procedures and legislation from the public and the sheriffs that do not execute the court orders to evict the illegal occupants because they are threatened by the illegal occupants and they get no assistance from SAPS.

However in this financial year we have seen a slight increase in the number of people submitting building plans and other town planning or land use applications. We have also been able to develop a land use management system that is compliant with SPLUMA and business processes for the section. We are developing policies for the section that will assist the section in its operations. Currently the section has only one policy for the both town planning and building control.

Physical planning needs are based primarily on community needs which are prioritized by the IDP & Budget Steering Committee, taking all resources into account. The Technical Services Directorate is involved in the implementation of all infrastructure capital projects, although some are reported on by other departments (e.g., solid waste sites) depending where the responsibility lies. These projects are managed by the Project Management Unit (PMU) of the municipality, including implementation planning, time frames, budget and the like. In the past 2 years it has become apparent that the PMU is critically under-capacitated with 28 projects being managed by only 2 technical personal. The municipality plans to remedy the situation in the 2015/16 Financial Year.

Building plans 2015/2016

Number of applications Outstanding July 2015	Category	Number of new applications received July 2015	Total value of applications received June 2016 Rand	Applications outstanding 30 June 2016
0	Residential new	3	R780 000	1
1	Residential additions	24	R2 422 000	8
0	Commercial	3	R1 070 000	3
0	Industrial	1	R300 000	
	Other (specify)	1 (church) 13 cell masts	R240 000 R1 300 000	

Town Planning Applications 2015/16

Applications outstanding 1 July 2015	Category	Number of new applications received July 2015	Applications outstanding 30 June 2016
0	Rezoning	4	4
0	Consolidation	2	1

2	Sub Division	5	3

PLANNING POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	**Outline Service Targets**	**Year2013/2014**		**2014/2015**					
		Target	**Actual**	**Target**		**Actual**	**Target**		
		***Previous Year**		***Previous Year**	***Current Year**		**2015/2016**	**2016/2017**	**2017/2018**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(viii)**			
Service Objectives									
Construction of access roads	Construction of 200 km of access roads	9.5	32	9.5	33	25	20	20	20
Construction of river crossings	Construction of 2 river crossings	2	2	2	2	0	2	2	1
Renovation and construction of municipal property	Renovation of offices, mayoral residence & construction of Fleet Bay	100%	100%	100%	100%	100%	100%	-	-
Sterkspruit Taxi rank	Completion of construction (multiyear)	100%	100% (1 x Taxi Rank)	80%			-	-	-
Construction of houses	1302 low cost units in Barkly East, Lady Grey, Rhodes & Rossouw.	300	1418	69.25%	0%	0%	4000	3500	3500
Reduce electricity losses	To be at acceptable limits (15% or lower)	18%	15.21%	Below 15%	15%	13%	12%	11%	10.5%

*Note: This statement should include no more that the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *' Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round, *' Current Year' refers to the targets set in the Year 0 Budget/IDP round. *' Following*

Year' refers to the targets set in the Year 1 Budget/DP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) &d Chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDP's play a key role.

TABLE: EMPLOYEE STATISTICS (PLANNING SERVICES)

EMPLOYEES: PLANNING SERVICES (MIG PMU)					
Job Level	**Year 2014/2015**	**Year 2015/2016**			
TASK	**Employees No**	**Posts No.**	**Employees No.**	**Vacancies (fulltime equivalents) No.**	**Vacancies (as a % of total posts) %**
0-3					
4-6		1	1		0%
7-9	1	1	1		0%
10-12	2	3	3		0%
13-15					
16-18	1	1	1	-	0%
19-20					
Total	4	6	6		0%

*Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

Note: No funded vacant positions for this financial year.

FINANCIAL PERFORMANCE YEAR 2014/2015: PLANNING SERVICES (MIG) R' 000					
Details	**Year 2014/ 2015**	**Year 2015/2016**			
	Actual	**Original Budget**	**Actual**	**Original Budget**	**Actual**
Total Operational Revenue	1098		1 863		1 863
Expenditure (Total MIG UNIT)	1098	1 863	1 863	1 863	1 863

Total Operational Expenditure	1098	1 863	1 863	1 863	1 863
Net Operational Expenditure	1098	1 863	1 863	1 863	1 863
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference betweeen the Actual and Original Budget by the Actual					

CAPITAL EXPENDITURE : PLANNING SERVICES R' 000					
Capital Projects	**Year 2015/2016**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Total All					
Senqu Cemeteries III: Barkly East, Sterkspruit, Herschel & other	-	529	413	-413	1 081
Mlamli Cemetery	1 200	1 330	1 035	165	1 325
Qhoboshane Cemetery	1 200	1 200	871	329	1 127
Musong Cemetery	1 200	1 600	1 254	-54	1 607
Construction of Paved Roads in Wards 11: Herschel	-	1 000	83	-83	342
Construction of Paved Roads in Wards 10: Tienbank	-	1 000	38	-38	342
Construction of Access Roads in Ward 18 - Esilindini	2 000	500	270	1 730	308
Construction of Access Roads in Ward 17 - Sunduza & Joveleni	2 000	500	315	1 685	287
Construction of Access Roads in Wards 3: Erka, Qhoboshane, Hohobeng & Other	2 277	2 727	1 596	681	2 880
Construction of Access Roads in Wards 4: Boomplaas, Mkunyazo	1 604	3 104	2 532	-928	3 111
Paving of Lady Grey Streets & Storm water control	9 000	10 500	9 200	-200	10 802
Renovation of the Sport Facilities in Barkly East	-	1 250	1 269	-1 269	6 270
Construction of Sportfields in Ward 2 - Upgrading of Sportfield in Kwa - Gcina	2 518	2 518	401	2 117	5 125
Construction of Sportfields in Ward 13 - Upgrading of Sportsfield in Naledi	2 820	2 820	401	2 419	5 237
Construction of new Solid Waste Site in Sterkspruit - Ward 10	1 586	486	145	1 441	1 585
Construction of Herschel Solid	1 615	101	114	1 501	165

Waste Site - Ward 11					
Construction of Rhodes Solid Waste Site - Ward 16	1 201	101	112	1 089	165
Construction of Rossouw Solid Waste Site - Ward 15	1 201	101	112	1 089	165
Construction of new Community Hall in Ward 9	2 580	3 900	2 204	376	3 973
Construction of new Community Hall in Ward 12	2 580	3 580	2 761	-181	3 522
Construction of new Community Hall in Ward 18	2 573	3 273	2 379	194	3 221

CAPITAL EXPENDITURE : PLANNING SERVICES (cont.)

R' 000

Capital Projects (cont.)	Year 2015/2016				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Barkly East Street lights	1 750	1 800	1 288	462	1 856
Construction of culvert motor-way in Ward 3 - Hohobeng	-	740	648	-740	2 181
Construction of pedestrian bridge in Ward 4 - Boomplaas	–	2 320	2 802	-2 802	3 572
Planning Project for EIA applications for Cemetery, Landfill sites & Bridges	-	-	-	-	1 432
Planning Project for EIA application for Pedestrian Bridge in Ward 5 - Bebeza	633	203	44	589	1 76
Construction of Hawker Stalls in Ward 10 - Sterkspruit	1 863	1 863	34	1 829	1 360
Construction of Lady Grey Animal Pound	1 200	400	-	1 200	300

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)

Comment on the Performance of Physical Planning Overall

In terms of Land Use and Town Planning issues experienced by the municipality, it must be noted that there is only one dedicated planner. The organogram is in process of being reviewed and this will be completed by February 2016 and will take into account the new SPLUMA Regulations and Scopa. It is the intention that at this time the Town Planning and PMU units will be adequately capacitated in terms of the organogram.

SUMMARY OF MIG EXPENDITURE FOR 2015/16:

MIG SUMMARY UP TO 30 JUNE 2016			
Total Allocation	33 262 000.00	100%	Total funds received from MIG
Total spend actual (May 2015)	32 053 160.02	96.4%	Must be over 60%
Funds uncommitted	0.00	0%	

UNCOMMITTED FUNDS BREAKDOWN		
None		
TOTAL		

Challenges and improvements influencing projects

CHALLENGES		IMPROVEMENTS
Department Water & Sanitation not assisting timeously on EIA	1	Successful meetings held with the DWS and DEDEA
Objections during public EIA participation processes delaying implementation of projects	2	Objections can be over-ruled dependent on circumstances
Community resistance / Land matters in community lands	3	Politicians aware of the resistance
Poor performance of service providers	4	Successful meetings held with Service Providers to improve performance
PMU under capacitated	5	Council and management are aware of the under-capacity and intend to resolve in the new financial year
Non responsive tenders requiring re-advertisement	6	CIDB and SCM are attempting to workshop contractors
Eskom infrastructure matters	7	Letter only received from Eskom in June 2015 on infrastructure usage
Budget estimates not always correct	8	The implementation of SCOA will assist to resolve this but the first year of implementation
SCM Regulations oblige appointment of SP with highest points	9	There is allowance in the regulations for SCM to investigate further service provider for appropriate appointments
Non appointment of contractors due to funding shortages and pending confirmation leads to delays	10	The DAC meetings sit monthly
Project savings remain uncommitted and therefore contribute to uncommitted funds	11	NT will be requested that no funding be removed as all will be used in the new year with projects currently out for tender

Difficulty in start timing of multi-year projects due to budget	12	Unfortunately this cannot be changed with exception of loans
End user departments not fully co-operating during project implementation stage	13	
There is grey area on functions between SCM & PMU from tender advertisement to tender award period	14	

MIG PROJECT DETAIL

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2015/2016)	ACTUAL EXPENDITURE 2015/2016	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
Roads					
Senqu Cemeteries III: Barkly East, Sterkspruit, Herschel & other	529	413	-	Funding Committed	Completed
Mlamli Cemetery	1 330	1 035	-	Funding Committed	Completed
Qhoboshane Cemetery	1 200	871	-	Funding Committed	Completed
Musong Cemetery	1 600	1 254	-	Funding Committed	Completed

Construction of Paved Roads in Wards 11: Herschel	1 000	83	-	Funding Committed	Procurement for consultant
Construction of Paved Roads in Wards 10: Tienbank	1 000	38	-	Funding Committed	Procurement for consultant
Construction of Access Roads in Ward 18 - Esilindini	500	270	-	Funding Committed	Procurement for consultant
Construction of Access Roads in Ward 17 - Sunduza & Joveleni	500	315	-	Funding Committed	Procurement for consultant
Construction of Access Roads in Wards 3: Erka, Qhoboshane, Hohobeng & Other	2 727	1 596	-	Funding Committed	Completed
Construction of Access Roads in Wards 4: Boomplaas, Mkunyazo	3 104	2 532	-	Funding Committed	Completed
Paving of Lady Grey Streets & Storm water control	10 500	9 200	-	Funding Committed	Completed

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2015/2016)	ACTUAL EXPENDITURE 2015/2016	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
Sportfields					
Renovation of the Sport Facilities in Barkly East	1 250	1 269	-	Funding committed	Complete

Construction of Sportfields in Ward 2 - Upgrading of Sportfields in Kwa - Gcina	2 518	401	--	Funding committed	Procurement for consultant
Construction of Sportfields in Ward 13 - Upgrading of Sportfields in Naledi	2 820	401		Funding committed	Procurement for consultant
Halls					
Community Hall/Office Ward 9	3 900	2 204	-	Funding committed	Contractor appointed. All turnkey projects were re-advertised due to AG concerns in November 2014 which had a huge impact on expenditure due to the planning changes. Budget reduced by R2 580 000.00. Consultant appointed at R389 712.99 and contractor appointed at R3 582 803.40. Under construction.
Community Hall /Office Ward 12	3 580	2 761	-	Funding committed	Contractor appointed. All turnkey projects were re-advertised due to AG concerns in November 2014 which had a huge impact on expenditure due to the planning changes. Budget reduced by R2 580 000.00. Consultant appointed at R 389 712.99 and contractor appointed at R3 132 529.55. Under construction.
Community Hall / Office Ward 18	3 273	2 379	-	Funding committed	Contractor appointed. All turnkey projects were re-advertised due to AG concerns in November 2014 which had a huge impact on expenditure due to the planning changes. Budget reduced by R2 573 000.00. Consultant appointed at R 438 900.00 and contractor appointed at R2 781 746.38. Under construction.

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2015/2016)	ACTUAL EXPENDITURE 2015/2016	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
Solid Waste Sites					
Solid Waste site (Sterkspruit) Ward 10	486	145	-	Funding committed	Environmentalists could not complete EIA due to Civic action and despite the land expropriation, the local community refuse to allow them to continue, and this has to restart again this year. This has resulted in a future funding shortage for construction which will require a second phase application and approval from MIG as the original funding approved will be insufficient. (new estimate R6m)
Solid Waste site (Herschel) Ward 11	101	114	-	Funding committed	Procurement for consultant.
Solid Waste site (Rossouw) Ward 15	101	112	-	Funding committed	Procurement for consultant.
Solid Waste site (Rhodes) Ward 16	101	112	-	Funding committed	Procurement for consultant.
Barkly East Street lights	1 800	1 288	-	Funding committed	Complete
Construction of culvert motor-way in Ward 3 - Hohobeng	740	648	-	Funding committed	Complete
Construction of pedestrian bridge in Ward 4 - Boomplaas	2 320	2 802	-	Funding committed	Complete
Planning Projects					

Planning Project for EIA applications for Cemetery, Landfill sites & Bridges	-	-	-	Funding committed	Procurement for consultant.
Planning Project for EIA application for Pedestrian Bridge in Ward 5 - Bebeza	203	36	-	Funding committed	Procurement for consultant.
Construction of Hawker Stalls in Ward 10 - Sterkspruit	1 863	30	-	Funding committed	Procurement for consultant.
Construction of Lady Grey Animal Pound	400	-	-	Funding committed	Procurement for consultant.

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2015/2016)	ACTUAL EXPENDITURE 2015/2016	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
GENERAL EXPENDITURE					
PMU (5%)	1 863 100.00	1 863 100.00	0.00		Ongoing
Over Expenditure (2014/15) Recovery		0.00			
TOTAL	**33 262 000.00**	**33 262 000.00**	**0.00**		

As can be seen above, the MIG grant amount spent was 100%.

As Senqu Municipality is essentially a rural area, under tribal administration (with the exception of commercial farms and urban areas), it is extremely difficult (if not impossible) to control land use and building control in the rural areas. We currently have just one Building Control Officer and three unfunded posts reflected on the organogram. There are no dedicated resources for land use management.

During this period it is noted that:

- The Housing Sector Plan has been approved by the Executive Committee;
- Monthly reports were provided as required regarding zoning and housing plans (Council approves Town Planning matters only and not the Building Plans);
- An updated Building Register was kept;
- An updated Town Planning Register was kept;
- A Town Planner/Land Use Management Officer was employed in February 2014;
- 11 Town Planning submissions were received;
- 28 Building Plans were received;
- The Value of building plans received amounted to: R 2 455 000; and
- Land Invasion is still being dealt with through the municipal appointed legal team although there is very little progress in this regard.

3.9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES

Introduction to Economic Development

Senqu Municipality's 5-year LED Strategy was adopted in June 2013 (the adoption having been delayed by the protest action in Sterkspruit).

As per the IDP (2011-2016) it is noted that it is the intention of the LED's 5-year strategy to achieve the following:

- Achieve and maintain an annual growth rate of 5.5% from 2016 and beyond;
- Reduce unemployment to 20% (by 2017);
- Improve black-ownership and participation in the mainstream economy (especially within tourism and agriculture); and
- To build strong and sustainable LED capacity, institutions and resources.

Taking these targets into account, the following figures are noted as against the 2017 targets (as reflected in the IDP):

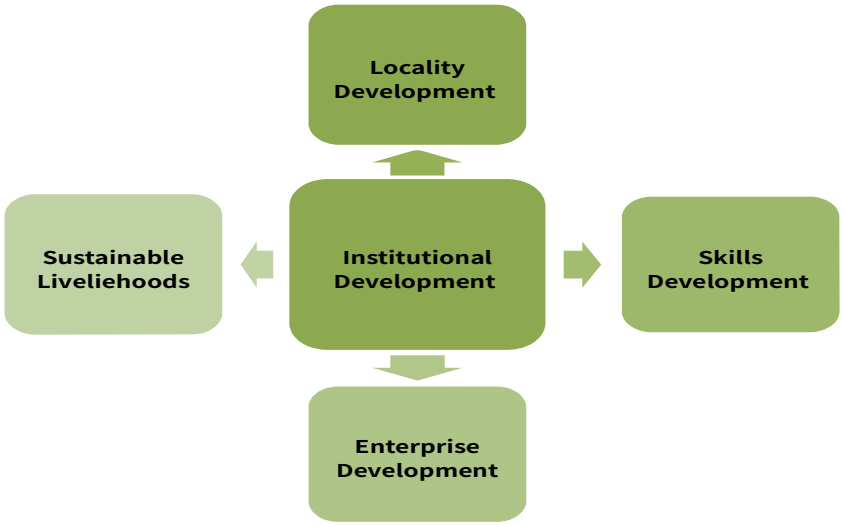
Figure: LED Strategy 2012 Performance Baseline

HIGH LEVEL LED PERFORMANCE BASELINE (2012-2017)		
Indicator	2012 (Current)	2017 (Target)
GVA Growth	3.035 p.a.	5.5% p.a. (minimum)
Unemployment	30.34%	20%

Poverty	62.93%	52%

LED Strategy Development Thrusts

The Senqu LED Strategy (2013) has 5 integrated LED development thrusts and priorities (strategic focus areas) as depicted within the diagram below:



- **Development Thrust 1: Locality Development**

  The Locality Development Programme will be focused on achieving the following outcomes:

  – Making the municipal area more attractive to investors, tourists and individuals; and
  – Improving the physical and environmental appeal of the area.

- **Development Thrust 2: Enterprise Development**

  The purpose of Enterprise Development Programme is to:

  – Create a conducive environment for existing, new and start-up businesses;
  – Improve profitability, competitiveness and sustainability of locally-based enterprises; and
  – Prioritise development of key growth and employment sectors e.g. Agriculture, Tourism and Green Economy.

- **Development Thrust 3: Sustainable Livelihoods**

  The purpose of the sustainable livelihoods programme is to:

  – Provide the poorest of the poor with alternative livelihood options;
  – Support income generation activities for the poor; and
  – Facilitate job creation projects that will benefit the poorest of the poor

- **Development Thrust 4: Skills Development**

  The purpose of the skills development priority is to:

  – Build the necessary skills base for economic growth and development;
  – Improve employability and active economic participation;
  – Support key growth and employment sectors.

- **Development Thrust 5: Institutional Development**

  LED institutional development in Senqu is designed to:

  - Improve municipal capacity to coordinate and facilitate LED processes;
  - Establish appropriate mechanisms to implement this LED strategy;
  - Mainstream LED across municipal functions and activities;
  - Foster sustainable partnerships with key and relevant stakeholders; and

- Improve monitoring and evaluation of LED projects and initiatives.

ECONOMIC INDICATORS (as reflected in the IDP)

- Senqu **local economy** generates around one quarter (25.7%) of total District GVA. This is the second largest contribution after Elundini (39.0%) and is comparable to Maletswai that shares (24.3%) of the JGDM economy.

- From 2000 to 2010, the local economy has grown at an average rate of 3.0% pa. The District and provincial economies have averaged 5.6% pa and 3.2% pa, respectively, over the same period.

- **Total formal employment** in the District sees Senqu Municipality making a relatively higher contribution of 27.9% (i.e. ranking second to Elundini (36.7%) and ranking higher than Maletswai (22.2%) and Gariep (13.2%).

Economic Growth, Structure and Sectors

- The **tertiary sector** contributes the greatest share of GVA (82.3%) and formal employment (68.8%) to the Senqu local economy.

- The Senqu economy claims a comparative advantage in the primary sector, with a location quotient (LQ) of 1.18, where both Agriculture (LQ: 1.15) and particularly Mining (LQ: 2.16) are claimed as advantages.

- A **comparative advantage** is also enjoyed in the tertiary sector, with a modest location quotient of 1.03, which is principally due to the relative strength of the Community (LQ: 1.20) and General Government (LQ: 1.23) Services.

- No comparative advantage in the secondary (LQ: 0.80) sector emerges, although several **manufacturing sub-sectors are claimed as advantages** (i.e.

the radio and instrumentation (LQ: 3.88). Furniture and other manufacturing (LQ: 2.65) industries, with less pronounced advantages (LQs) also claimed for the following manufacturing sub-sectors: Electrical machinery and apparatus (1.86); Petro-chemical products (1.72); Transport equipment (1.08); and Textiles, clothing and leather goods (1.02).

- **Community services and General government** (Services) account for the bulk (39.8%) of local GVA and for 37.4% of all local formal employment. The dominance of Services contributes to the concentration of the local economy (Tress Index: 63.48), as well as of the District economy which has a tress index of 58.28. Given that diversification is essential for a robust and resilient economy, the promotion of economic development across a range of sectors, away from the current concentration on Services, will mitigate against negative seasonal or sectoral impacts.

- Considering **tress indices** for Senqu, from 1995 (63.60), through 2000 (63.41) and 2005 (61.47), the local economy has become less concentrated (more diversified), but has since reversed that trend to become more concentrated (63.48) in 2010. This reversal is arguably owed to the continued dominance of services coupled with the increased prominence of a second sector, namely Finance (27.9%).

- The only other sectors to have increased their share of GVA contribution to the local economy, from 2005 to 2010, are Manufacturing, from 7.1% to 8.2%, and Construction, from 2.2% to 3.0%.

- **The Finance sector** has grown, since 2000, to displace both Community services (13.6%) and General Government (26.2%) as the largest sectoral contributor (27.9%) to Senqu GVA in 2010, although Services (considering both Community and Government sectors together) does retain its overall dominance in the local economy.

- The profile of formal employment differs from that of GVA, where Services is marginally dominant in Senqu (37.4%) and Maletswai (30.8%), followed closely by Agriculture at 36.3% and 30.4% respectively. By contrast, Agriculture dominates formal employment in Elundini (36.3%) and particularly Gariep (47.6%), followed by Services at 30.6% and 29.7% respectively.

- Finance, like Services, is not strictly a driving sector in that no new productive value is generated, although both can play significant roles, as services, in facilitating (or limiting) an enabling environment conducive to local economic development. Beyond these dominant service-related sectors, potential local economic drivers emerge as mining and quarrying together with the Manufacturing sub-sectors of Electrical machinery and Transport equipment. The latter industries emerge as leading (GPI >100) comparative advantages (LQ >1; positive shift in share) and further claim higher than average growth rates, with the notable exception of Mining (-1.9%pa).

- Agriculture, while being claimed as a comparative advantage (LQ: 1.15), emerges as a lagging sector (GPI: 95.11) and reflects negative growth (-3.2%pa) as well as relative loss in share (-1.5%) of the District economy.

- While **Mining** emerges as a relatively significant economic sector in terms of performance, no corroborating information regarding mining, quarrying or related activities, such as sand-winning, is found in the Senqu IDP (2011). Mining generates a comparatively small contribution to both GVA (0.3%) and formal employment (0.5%) in Senqu, but does emerge as a leading (GPI: 124.69) comparative advantage (LQ: 2.16; 11.0% shift in share) in the District.

- The other primary sector of **Agriculture**, in spite of a lagging performance (GPI: 95.11) and negative shift in share (-1.52%), makes a relatively significant contribution to local GVA (5.5%) compared to the District (4.8%) and particularly the Province (2.1%). Moreover, agriculture' s contribution to formal employment in Senqu (36.3%) and in the JGDM (36.6%) and contrasted with 19.3% provincially, represents more than one third of local formal employment. Senqu is characterised by a strong presence of subsistence

agriculture, which does not contribute directly to the formal economy but does enhance local food security and survivalist economics at household level, and further presents opportunities for skills development and growth in small-scale agricultural development.

- The Senqu IDP (2011) notes that commercial farming is mainly in small stock (sheep and limited numbers of goats) together with some cattle farming. Limitations to commercial agricultural development, beyond the predominance of subsistence agriculture, lie in the limited extent of arable land in Senqu – one of the most degraded areas in South Africa – although intensive production of selected fruit with related processing and packaging opportunities, as well as marginal production of dry beans and grain sorghum, have been identified for Senqu Municipality. (JGDM 2010; UKDM 2009);

- The District LED Strategy (UKDM November 2009) identifies **route tourism** as a significant opportunity for the District as a whole, where Senqu is presently the most developed tourism destination and where eco and adventure tourism offer the greatest potential for further development. Furthermore, Tourism was identified as a leading product for the Senqu local economy in 2004 (ECO 2006), with scenic beauty, hiking and wildlife attractions, and trout fishing, together with South Africa' s only ski resort at Tiffendell. Along the tourism value chain there is potential for developing SMMEs, particularly in respect of small scale accommodation facilities and tourism products and services, including crafts and entertainment and guiding. A further local economic opportunity relates to local procurement in respect of services, products and supplies such as furniture, bottled water and services such as repairs and maintenance.

- The Senqu IDP (2011) **identifies Agriculture and Tourism** as the major economic drivers of the local economy. Conventional and traditional agricultural practices may offer limited returns, recognising the local environmental limitations. Notwithstanding, alternative intensive practices (notably hydroponic production), can be exploited, particularly where enabled by good water quality. Where such is realisable, further advantages required for exploiting growth in intensive agricultural production include marketing

together with reliable and affordable transport, as well as quality food hygiene packaging and processing processes that conform to national and ideally international, standards.

- **Tourism** does emerge as a key potential economic sector, and economic driver, particularly with the inclusion of the country's only ski resort, Tiffendell. The Senqu IDP (2011) notes that mountain tourism is the most active tourism node, albeit seasonal in nature with strong winter adventure tourism and with Tiffendell ski resort being the "key pin" with linkages to the Rhodes, Barkly East, Maclear, Ugie and Lady Grey areas.

  Tourism is not a distinct economic sector but a consumption-based service industry that encompasses many different economic activities. As a general rule, tourism figures are included within the tertiary sector, particularly Trade (Wholesale and retail trade, and Catering and accommodation) which generates 9.0% GVA (8.6% trade; 0.4% catering) and 9.7% formal employment (8.8% trade; 0.9% catering) in 2010. However, the Trade sector has declined over the past 10 years in respect of GVA (-4.0%pa) and formal employment (-2.5%pa). Informal sector 'employment' in Trade has also declined (-0.5%pa) although this decrease applies to the catering sub-sector (-10.4%pa), whereas the trade sub-sector has grown (0.1%pa) and now accounts for around one third (33.5%) of all informal 'employment'.

Comparative and Competitive Advantages

- **Basic Services and Infrastructure**

  - The local municipality performs above District average in respect of access to all **basic services** excluding refuse removal, where only 13.45% households in Senqu enjoy regular municipal refuse collection services.
  - The majority of Senqu households enjoy access to the RDP minimum levels of basic services in respect of housing, energy, and sanitation. In Senqu's favour is the considerable allocation of local government equitable share.

- **LED Support System**

- The Senqu Municipality has a dedicated LED Unit located within its planning department. The Unit is responsible for coordination and facilitation of LED processes in Senqu as well as advising Council on LED matters.

- Senqu is one of the key partners of the Joe Gqabi Economic Development Agency (JoGEDA) which is tasked to drive special economic development projects on behalf of the district municipality and the four local municipalities in Joe Gqabi.

- With regard to Senqu, the Agency has prioritised commercial property development and plastic manufacturing as its immediate flagship projects. Its other partners are the local tourism organization (Senqu Tourism Association) and the Small Enterprise Development Agency (SEDA) which provides support services to tourism enterprises and other small businesses in the area. The capacity and programmes of both organizations need up-scaling through the provision of additional human and financial resources to read across the municipal area. Other partners include the JGDM, ECDC, DLGTA, DEDEA and the Department of Agriculture.

- **EPWP, CWP & Enterprise development**

  - The EPWP & CWP programmes were operating very effectively within the municipality. However CWP was interrupted as a new implementer was introduced by COGTA. The programme has since struggled to get going as budget payments are infrequent. EPWP has struggled with proper reporting on the national reporting site although the projects are running smoothly. Enterprise development is however struggling as SMME' s and Co-operatives struggle to become financially viable. The municipality continues however to support these initiatives through its percentages in its supply chain management policy. It is proving difficult as tenderers continue to make administrative mistakes which render their tenders invalid.

- **Tourism**

- **Scenic beauty, hiking and wildlife attractions and trout fishing.**
- South Africa's **only ski resort at Tiffendell**. Tiffendell Ski Resort is the only ski resort in South Africa and is uniquely positioned to capture the local skiing market. Opportunities exist to promote Tiffendell as a venue for international events such as the World Snowboard Championships.
- Reopening of the **historic railway line** between Aliwal North and Barkly East passing through Lady Grey is also a unique development option that will attract tourists;

- **Agriculture**

  Wool production

  - Agriculture is one of the major economic drivers of the local economy and considered one of the New Growth path's job drivers.
  - In 2010/11, 46 099 196 kilograms of greasy wool was produced in South Africa. Out of this the Eastern Cape produced 14 300 585 kilograms. The Barkly East magisterial district produced 897 677 kilograms and the Lady Grey district 197 727. The entire Transkei produced 3 467 686 kilograms. In 2011/12, 44 807 741 kilograms were produced out of which the Eastern Cape produced 13 950 406 kilograms. Barkly East 876 812, Lady Grey 178, 107 and the Transkei 3,357,008 (Cape Wool production figures 2010-2012). **This makes Senqu one of the largest producers of wool in the Eastern Cape.** Its climate and topography makes it well suited to expand this type of farming.
  - **Bottling of fresh spring** water is a potential niche. Senqu has pure, clear water that is already being bottled on a small scale. Potential may exist for further expansion.
  - **Strategic location and proximity to** Lesotho provides development opportunities near the Telle Bridge border post as well as for the revitalisation and upgrade of Sterkspruit. These provide major tourism development opportunities for both Senqu and Lesotho.

CHALLENGES

- **Geographic Challenge**

- The majority (86%) of the Senqu population live in predominantly rural areas consisting of rural villages and farm households. The average population density is 3.24 households per square kilometre. This is lower than the district and provincial population density of 3.27 and 3.89 households per square kilometre, respectively.
- The population density is 17.23 persons per square kilometre - indicating that people are scarcely located, making it extremely costly and difficult to provide the prerequisite services and conditions to address unemployment and poverty.

- **Dependency Challenge**

  - For every formally employed person there are 8.08 people that depend on the same income resources in Senqu.
  - Despite a large potentially economic active population (57% or 72 003 people), the economy is unable to provide the required economic and employment opportunities for all these people. In the current form and conditions, the local economy can only provide employment and economic opportunities for only a quarter (25.13%) of the potentially EAP. This calls for the drastic improvement of the socio-economic conditions to ensure that more opportunities.

- **Poverty Challenge**

  - Despite experiencing positive economic growth between 2000 and 2010, Senqu' s economy has been unable to create meaningful benefits for the poor.
  - The poverty rate is 62.93% - much higher than the provincial average of 53.61%. Dependency on social grants is highest in Senqu (37.42%) compared to the district (34.46%), provincial (31.54%) and national (22.68%).
  - The state of household savings reveals a high degree of indebtedness (-R464) for Senqu which further exacerbates the poverty challenge.

- Although the Municipality has and continues to support a number of poverty alleviation projects, in many instances these have not yielded many results, largely owing to poor methodologies, lack of appropriate support and institutional capacities. In many instances the impact of these poverty alleviation projects remains unknown.

- **Employment Challenge**

  - Based on the official definition, more than one third (30.34%) of the economic active group in Senqu is unemployed while the district average is 23.54%.
  - Including those not actively seeking for work, unemployment in Senqu is as high as 65% compared to 54% and 48% for the district and Eastern Cape respectively.
  - Between 2000 and 2010 formal employment growth was negative at -2.27%, performing worse than the district (-1.23%) and province (-0.21%) respectively. The reason for negative formal employment growth can be attributed to:

    - Poor performance of agriculture, trade and manufacturing sector;
    - Over-dependency on the services sector; and
    - Recession and global environment.

  - The quality of available jobs in Senqu remains a concern. For example it must be noted that the majority of the informal and formal employment is to be found in the Agriculture and Trade sector (excluding the services sector). These jobs are not high paying and therefore do not necessarily provide a good quality of life.

- **Income Challenge**

  - With about 50.25% of the households earning no income at all and 21.39% earning between R1 and R1600 per month, almost two thirds of Senqu households are indigent. Of these, more than one quarter of households (6134) earn R400 or less per month. This is indicative of Senqu' s low economic base, a factor that makes it less attractive to investors. This has

negative repercussions for the economy and the municipality as more and more people cannot afford to pay for their livelihoods and services.

- **Literacy Challenge**

  - Only 58.66% of the adult population can read and write compared to the provincial average of 66.7% and the national average of 73.62%.
  - Approximately one tenth (10.81%) of the adult population have a matric while almost 15% have no formal education. Considering that the majority of people are living in poverty, the relatively low literacy levels make it difficult to find better livelihood options.

- **Skills Challenge**

  - The majority of the adult population (32.21%) are unskilled.
  - There is a major shortage of technical skills (currently only 0.19%).
  - Notwithstanding it is worth noting that Senqu has a relatively high proportion of professionally skilled persons (23.46%) as compared with the district (15.49%) and province (13.53%).
  - The lack of appropriate skills affects the performance of the economy, as much as it affects the delivery of basic services.

- **Infrastructure and Land Challenge**

  - Senqu performs above district average in respect to all basic services with the exception of refuse removal where only 13.45% households are provided with the municipal refuse collection services,
  - Infrastructure backlogs remain an area of constraint that must be addressed to unlock better growth and new investments into the area. The following are noted (by way of example):
    - Extension of electrification to certain rural areas and plucking of high leakages caused by poor maintenance and aging infrastructure;
    - Surfacing the 562Km gravel road backlog and improving maintenance on existing access roads and bridges;

- Improvement of waste management (backlog of 31 155 households) to address infrastructural shortages and environmental issues;
- Housing provision (backlog of RDP houses); and
- Land tenure issues, claims, rights and invasions.

- The effect of migration into urban areas such as Sterkspruit is also putting major strain on existing infrastructure in these areas. A more integrated approach addressing social, economic and infrastructural issues is critical.

- **Land**

  - Senqu Municipality has communal land in the former Transkei homeland situated around Herschel and Sterkspruit, bordering on Lesotho. The land tenure in this area is a mixture of freehold, quit rent and PTO. Land tenure and rights in this area have traditionally been vested in traditional authorities with the Department of Agriculture distributing PTOs. The rest of the area is either freehold tenure in the former RSA towns or commercially owned farmland (Senqu SDF 2009).
  - The majority of the municipal land is unimproved grassland (75.6%), with only 6.6% of the area used for cultivation purposes.
  - Approximately 13% of the surface area is classified as degraded: that is, it has previously been subjected to poor land use and management practices (e.g. overgrazing or inappropriate cultivation methods). Only 1.1% of the surface area is developed as built areas, including the urban areas of Sterkspruit, Lady Grey and Barkly East, as well as the rural settlements.
  - Major challenges are experienced regarding land invasions of municipal owned or state land. This is due to lack of land being offered for sale and people being unable to afford land but wishing to be closer to prospective employment and urban amenities in the urban areas of Barkly East and Lady Grey.
  - In the smaller rural hamlets of Rhodes, Rossouw and Herschel people are invading land and building informal settlements in order to move closer to urban amenities or receive housing with freehold tenure especially farm workers.
  - Additionally, the land redistribution challenge is required to be met. For example, to be able to meet the 30% redistribution target by 2014, 166 000

ha will need to be redistributed at 33 000 per annum at a total cost of R 83 million if the price remains at around R 2500 per hectare (JGDM ABP 2010).

- **Growth Challenge**

  - Between 2000 and 2010 average growth was 3.03%. Despite outstripping the average population growth (-0.89%) for the same period, this growth has not been sufficient to cause any significant dent on unemployment and poverty. It is also far below the national target of 4% to 7% required to necessary positive employment growth. The reason for limited growth can be attributed to:
    - Over-dependency of the economy on the services sector which accounts for one quarter of the total GVA and formal employment;
    - Significant spending outside the Senqu area (leaking bucket phenomenon);
    - Poor performance of agriculture, trade and manufacturing sectors;
    - Low income levels that are not attractive for investors;
    - Lack of innovative value add approach to the economy; and
    - Effects of recession and globalization.

- **Institutional Challenge**

  - There is a need to improve the mainstreaming and institutionalization of the LED mandate across the municipality.
  - The participation of the business sector in LED processes, especially the more established industry leaders in Senqu has always been minimal. Coupled to this is the lack of an appropriate enterprise development system. The understanding and application of LED by the municipal leadership, not excluding community and business leaders, also needs to be greatly improved if this LED strategy is to result in any significant changes.

- **Stakeholder Involvement**

The Municipality has revised the LED Forum as the Economic Development Forum. The aim of the forum is to:

- Provide LED facilitation and support within the Senqu municipality.
- Advise on development choices by understanding the local context enough to validate claims made about local potential.
- Mobilise local stakeholders.
- Facilitate local partnerships within and between local public and private organisations.
- Develop an annual work plan to implement the LED strategy that is reported on quarterly
- Assist with and advise on local economic development initiatives.
- Coordinate all local economic development initiatives within the municipality.
- Provide information and create awareness about LED within the municipality; and
- Monitoring and evaluation of local economic development projects.
- The Forum met quarterly (30 September 2015,10 December 2015-joint EDF and information day ,17 February 2016,18 May 2016)

- Other stakeholder forums include the LTO, small farmers association and agricultural forum. These forums require more capacitation and engagement to keep the functioning effectively. The Municipality has also held 4 agricultural days for emerging famers (3 March 2016,12 August 2015, 22 March 2016, 24-26 May 2016) as well as 2 information days for SMME' s where information on funding and financial management was held (25 July 2015 & 10 December 2015).

- The municipality engages with sector departments through District Support team meetings on a quarterly basis and IDP Representative Forum meetings.

- The Municipality has built relationship with training partners like ECDC, SEDA, ABSA and PETCO to train SMME' s on brick making, financial management, receptionists, recycling and bed making.

- It also has further fostered engagement with funding institutions like Dti and SMME' s attended export training in Bloemfontein as well as submitting 9 applications for funding. 2 projects submitted for the LRAD funding from DEDEA have gone forward to the provincial round for funding and all indications are positive.

- Engagements were undertaken with the Sterkspruit Hawkers Association to look at installing new hawkers huts that will improve the look of Sterkspruit as well as allow pedestrians to walk on the pavements. This has been funded by MIG but construction has been delayed due to issues around ownership of land for placement of the huts.

- Partnerships have been established with commercial and emerging farmers to grow Lucerne in Barkly East, Rhodes and Lady Grey on the commonage for the emerging farmers and for animal feed for the pound.

Investment Attraction, Small Town Revitalisation and Policy Framework

- The municipality is expending great effort to attract investors to the municipal areas by ensuring that towns are kept clean and that grass and trees are cut and pruned regularly. **Senqu was ranked 3rd place winner in the cleanest town competition.**

- In addition the municipality has spent its neighbourhood development grant on beautifying the entrance to Lady Grey by planting trees and providing pathways linking the township to the CBD.

- The emphasis in Sterkspruit is on consolidation of neighbouring settlements into the existing town and resolving land tenure issues. A precinct plan will be developed in 2016/17

- The Municipality has attracted visitors and investment in the Municipality by promoting tourism attractions at shows such as the Beeld and in magazines like the GO and Weg Funding has also been spent on signage of major tourism attractions such as the mountain passes. Tourism events such as the Rhodes Stoepsit fees, Passion Play and the Junior ski championships were assisted with funding. In addition the Municipality funded a new event for Sterkspruit tourism viz. a road race which is set to become an annual event. Funding was also spent on brochures and websites to promote the area.

The Expanded Public Works Programme

The EPWP policy was adopted by Council on the 25th October 2012. This policy outlines the institutional arrangements for implementing EPWP, roles and responsibilities, the employment opportunities, training and EPWP target, conditions of employment, target groups and reporting process. The Director of technical Services is responsible for implementing EPWP but the co-ordination will be done by the EPWP Steering Committee.

The objectives of the EPWP programme are as follows:

- To create job opportunities by reviewing the manner in which municipalities implement existing projects/programmes;
- To identify and propose programmes that will contribute towards additional job creation opportunities; and
- To ensure that the proposed job creation programmes form part of the service delivery mandates of the municipality.

These principles have been incorporated into the municipality' s efforts to increase employment opportunities for its residents. Projects have included: basic road maintenance, paving of streets, picking up refuse, pothole repair and stormwater channel maintenance.

To date, the Expanded Public Works Programme (EPWP), funded by the Department of Public Works) is considered to have been successfully implemented and in the 2013/14 FY. 255 monthly jobs were created on the Job Creation Project and an amount of 133 created within infrastructure projects. Management and politicians review the program each year to ensure that sustainable work

opportunities are created and that graduates from the programme acquire skills which increase their employment opportunities. The CWP programme has been increased to provide jobs for 2000 participants in 2 wards.

From its inception, internal and MIG infrastructure projects have also been registered with the EPWP and have resulted in the opportunity to provide many job opportunities and to obtain benefits from the labour rebate program of the EPWP.

414 jobs were created during the year. 163 from infrastructure projects. A grant of R 2,059,000 was received as the EPWP Incentive Grant.

Senqu Municipality includes the CWP figures as part of the overall job creation figures. It must be realised that job figures differ throughout the year. The CWP project created a minimum of 2000 jobs in the year but this fluctuated quarterly due to persons resigning or being fired. The funds for the project are however not transferred to the Municipality but paid out by COGTA to its implementing agent. A slangbos eradication project with the Department of Environmental Affairs created 163 jobs from commencement in March 2015 until November 2015. 163 jobs were created in infrastructure projects under MIG. A further 251 jobs were created under the mass job creation programme. A grant of R 2,059,000 was received as the EPWP Incentive Grant that was utilised together with the MIG, own funding and DEDEA slangbos grant.

The table below details the EPWP project costs and results for the 2015/2016 period:

EPWP PROJECTS (2015/2016)	BUDGET	ESTIMATED NO. OF JOBS
W 9 Community Hall	2 580 000	20
W 12 Community Hall	2 580 000	9
W 18 Community Hall	2 573 000	31
Paving Lady Grey		20
W 3 culvert crossing		12
W 4 pedestrian bridge		3
W 1 cemetery		7
W 2 cemetery		10
W 8 cemetery		12
W 11 cemetery		6
W 12 cemetery		13
Slangbos	2 492 800	163
CWP		2114
Mass Job creation project		251

Additional information in respect of EPWP (Job Creation)

Mass Job Creation	Department	No employed	Contract ends
Holohlahatsi security guards	Community Services	5	End Dec 2015
Lady Grey	Community Services	58	End Dec 2015
Barkly East	Community Services	50	End Dec 2015
Rhodes	Community Services	6	End Dec 2015
Rossouw	Community Services	6	End Dec 2015
Sterkspruit	Community Services	50	End Dec 2015
		175	
Supervisors			
Lady Grey	Community Services	2	End Dec 2015
Barkly East	Community Services	2	End Dec 2015
Sterkspruit		1	End Dec 2015
		5	
Storm Water			
Barkly East	Technical services	4	End Dec 2015
Lady Grey	Technical services	14	End Dec 2015
		18	
Pot Holes			
Lady Grey	Technical services	4	End Dec 2015
Barkly East	Technical services	16	End Dec 2015
		20	
Electricity (LG Seta)			
Lady Grey	Technical services	2	End Feb 2016
Barkly East	Technical services	2	End Feb 2016
Sterkspruit	Technical services	3	End Feb 2016
		7	
Cleaners			
Lady Grey	Corporate Services	5	End Dec 2015 – 3 year contract
		5	
Interns			
Finance		1	End Dec 2015 – 3 year contract
Technical Services		2	End Dec 2015 – 3 year contract
Corporate Services		7	End Dec 2015 – 3 year contract
Community services		3	End Dec 2015 – 3 year

			contract
DTPS		2	End Dec 2015 – 3 year contract
		15	
Administration			
Lady Grey	Technical services	1	2 have been absorbed
Lady Grey	DTPS	1	
Sterkspruit	Community Services	1	
		3	
e-Natis			
Lady Grey	Finance	1	End Dec 2015 – 3 year contract
Barkly East	Finance	2	End Dec 2015 – 3 year contract
		3	
TOTAL		**251**	

Support Social Investment Programme

The Sustainable Developmental Community/Social Development Programme (SIP) is a project that is intended to move beyond project-based community economic development. The emphasis is on empowerment and innovative methodologies are utilized to systematically build community competence and capacity. Under these circumstances, Senqu is required to present its plan to create the conditions required for the second economy through community based organisations and informal business associations. Information required includes: the number of cooperatives, small business associations and women/youth associations, develop and maintain unemployment data base.

Job Creation

Annual Performance as per key performance indicators in LED 2015/16

INDICATOR NAME	TARGET SET FOR THE YEAR	ACHIEVEMENT LEVEL DURING THE YEAR	ACHIEVEMENT PERCENTAGE DURING

		(ABSOLUTE FIGURE)	THE YEAR
Percentage of LED budget spent on LED related activities	100	100	100
Number of LED stakeholder forums held	4	4	102
Percentage of SMME that have benefited from a SMME support programme	----	9 submitted to Dti 2 submitted to DEDEA RLED	----
Number of job opportunities created through EPWP	2000 (CWP) 30 a month EPWP	2528 2114 CWP 414 EPWP	100
Number of job opportunities created through PPP	0	0	0

JOBS CREATED DURING YEAR 2015/2016 (OTHER INITIATIVES AND EPWP PROJECTS) Cont.				
Total Jobs Created / Top 3 initiatives	**Jobs created No.**	**Jobs lost/ displaced by other initiatives No.**	**Net total jobs created in year No.**	**Method of validating jobs created/ lost**
Year 2015/16	414 excl slangbos & CWP	0	2691	Attendance register, obtaining certified ID copies
Construction of Transwilger Bridge	15	-	90	As per EPWP Reporting
Constructions of Transwilger Taxi Route	25	-	125	As per EPWP Reporting
Job Creation Programme	250	16	3000	As per EPWP Reporting
Kwezi Naledi Development Node	27	-	267	As per EPWP Reporting
Mayoral Residence, Old Age Home & Vehicle Yard	13	-	52	As per EPWP Reporting

Note:

- The municipality has its own internal job creation project which uses the services of interns on a one year contract basis and outside general staff on a 6 monthly rotational basis. Other skilled staff are hired for a period of one year. This project is then registered as an EPWP project.
- All infrastructure projects are also registered as EPWP projects and the gender guidelines of the EPWP are adhered to as part of the mainstreaming programme.
- The main challenges on the job creation programme have been to ensure that there is sustainability and economic service delivery linked to lack of sufficient skills and transport. The reporting of the projects on the National system

epwprs has created problems this year as no persons were trained on the system so not all jobs were captured on the system. In addition the documentation of projects was poorly managed.

- The municipality will find alternative sustainable methods of job creation in the new Financial Year.
- Job Creation Projects have related to projects designed to meet service delivery objectives. Noted **Job Creation will, moving forward be termed EPWP**
- **Expanded Public Works Programmes** are required to be informed by the need to meet specific projects and to assist with the achievement of service delivery objectives and targets.
- EPWP is an on-going programme to which the Council has dedicated as priority in order to achieve sustainable development of the area into the future.
- The EPWP targets for 2015/2016 were achieved.

LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	**Outline Service Targets**	**Year 2015/2016**		**Year 2013/2014**			**Year 2014/2015**	**Year 2015/2016**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective									
Training of people in essential skills	Number of people trained (including retrained, upskilled)	No target	2 x person trained as qualified electrician 2 x plant operators	No target	3 x person trained (Plant Operator)	3 x person trained (Plant Operator)	4 people trained	4 x people trained	2 x people trained (Planned)
Legislative Training	Number people in SCM trained for CPMD	2	2 -1 completed and 1 in progress	4	4	1 Completed 3 started	1	1	2
Note: This statement should include no more than the top four priority service objectives. lThe indicators and targets specified aboce (columns (i)									

and (iii) must be incoroprate din the indicatore set for each munciipality to which they apply. These are 'univeral municipal indicators'.

*''*Previous Yea' r refers to the targets that were set in the Year 1 Budget/IDP round. Note that lal tarfets in the IDP must be fundable within approved budget provision. MSA 2000 Chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and Chapter 6 sets out the requiremetns for the requirements for the reduction of perfomacne mangement arrangement by municipalities in which IDPs pla a key role.*

EXPENDITURE YEAR JUNE 2016 ON EPWP (LOCAL ECONOMIC DEVELOPMENT INITIATIVES) R' 000					
Capital Projects	**Year 2015/2016**				
	Budget	**Adjustment to Budget**	**Actual Expenditure**	**Variance from Original Budget %**	**Total Project Value**
Job Creation	6480	9537	7554	20%	
Total project value represents the estimated cost of the project on apporval by council (including past and future expenditure as approprate)					

Comment on Job Creation Performance Overall

It must be noted that overall and in general, the job creation project has proved to be successful since its inception in July 2010. From this time, up to the end of June 2014, 4 973 temporary jobs were generated.

In 2013/14, 26 interns on 3 year contracts, of which 1 intern absorbed by the municipality as well as 208 general workers, 11 supervisors and 11 skilled workers.

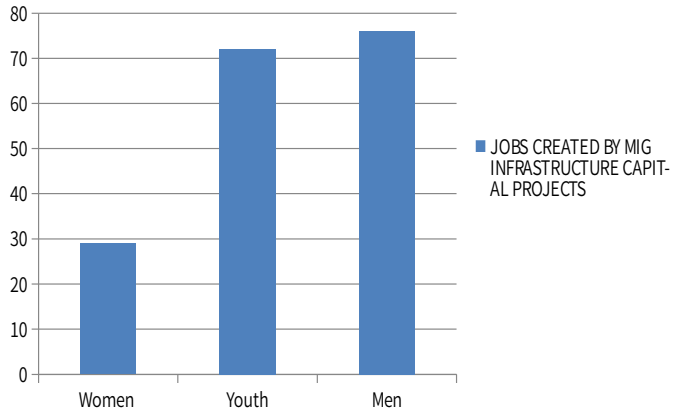
During this period 2015 /2016, the municipality budgeted a total of R 6 480 000 . Incentive grants from the EPWP received over this time period amounted to R 2.059 000 which is included in the allocated budget for job creation

Jobs created by department

Under the MIG infrastructure capital projects, for the same period, a further 163 jobs were created as follows:

- Woman: 29
- Youth: 72
- Men: 76

JOBS CREATED BY MIG INFRASTRUCTURE CAPITAL PROJECTS



As can be seen above, due to the nature of infrastructure work, more men were utilized than woman.

As a matter of great urgency there exists a need to look into the main streaming of dis-abled persons and the incorporation of these into these programmes where at all possible.

Challenges regarding LED strategy implementation

Challenges within the LED function continue and are experienced as funding constrains and staff capacity to deal with the challenges. These are reflected on and the following remedial action proposed:

- Local contractors have low CIDB level rating and do not benefit from Municipal tenders. Need to look at increasing contractor training with partners to improve the number of local firms benefitting from tenders.
- Understanding and knowledge of the strategy and the national LED framework is limited and more effort must be extended by the LED Unit in order to expand the knowledge of ordinary citizens and influential stakeholders. This will result in a more co-ordinated and unified approach to the implementation of LED.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component is responsible for Library Services, Community Halls and Facilities, Cemeteries, Sport & Recreation, Bio-Diversity & Landscape (Parks and Public Open Spaces), Environmental Protection, Commonages and Public Safety.

3.10 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; OTHER

Introduction to Libraries

There are five libraries within the Senqu Municipal Library Services. Library has a wide range of resources including books, large-print books, newspapers and periodicals, audio-books, DVDs, videos, music CDs and scores, and CD ROMs for all age groups.

Libraries Services is an agency function and receives funding in terms of DSRAC Government Grant. Promotion of libraries in rural areas by organising library promotion events Libraries exist in Lady Grey, Barkly East and Sterkspruit and satellite libraries in Rhodes and Rossouw. The SLA with DSRAC was signed by the Municipality although DSRAC delayed signing the SLA which in turn delayed the transferring of funds and therefore a poor delivery of service.

COMMENT ON LIBRARY SERVICE PERFORMANCE OVERALL:

- Monthly and quarterly reports on library activities provided to Province;
- Inadequate funding still remains a challenge as the grant from DSRAC does not cover all library expenditure.
- Establishment of book clubs and Library committee was conducted during the financial year
- New books were delivered to libraries by DSRAC
- Library promotion events were held mostly in rural and farm schools to promote library usage to those disadvantaged areas. To mention few Provincial National Book Week Build-Up was held at Storomo Community Hall on the 19th May 2016.

- Library circulation and activity reports were being submitted monthly to the Director and to the Standing Committee;
- Systems and procedures have been developed for libraries in order to effect controls on the administration of libraries;
- Two modular libraries were placed by DSRAC in Sterkspruit (Hillside and Herschel) and are operated by DSRAC
- Manual systems used to record data and reporting

Library Services

LIBRARY	NUMBER OF FACILITIES	USERS	CIRCULATION OF BOOKS
Rhodes	1	132	1299
Rossouw	1	79	1927
Barkly East	1	840	2915
Lady Grey	1	782	2709
Sterkspruit	1	347	5479

TABLE: EMPLOYEE STATISTICS (LIBRARY)

EMPLOYEES: LIBRARIES					
Job Level	Year 2014/2015	Year 2015/2016			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3				-	-
4-6	2	3	3	-	0%-
7-9	4	2	2	-	0%-
10-12		1	1	-	0%-
13-15				-	-
16-18				-	-
19-25				-	-
Total	6	6	6	-	0%

*Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June 2014. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

FINANCIAL PERFORMANCE YEAR JUNE 2016: LIBRARIES					
Details	**Year 2014/ 2015**	**Year 2015/2016**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	1 202	1 200	1 200	1 203	100.25%
Expenditure					
Employees	945	1 331	1 371	1 297	95%
Repairs and Maintenance	1	6	6	5	83%
Other	173	308	367	153	49%
Total Operational Expenditure	1 119	1 645	1 744	1191	68%
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual					

NOTE: There is no capital expenditure on Libraries

The grant funding by DSARC is not sufficient to run the libraries the expenditure is way more than the grant amount from DSRAC and this has affected the services of libraries.

3.11 CEMETERIES

Introduction to Cemeteries

This unit is responsible for the Management maintenance and development of Cemeteries and Crematoria. It requires that ongoing efforts be made to improve

the manner in which cemeteries function and are maintained. Burials are required to be controlled within the framework of the Health Act and within the prescripts of community records and administration, while ensuring that there are sufficient sites.

8 cemeteries in towns are properly managed, but we are still using the manual out-dated approach. In rural areas the Municipality have developed 5 cemeteries during the financial year 2015/2016. It must be noted that there are facilities developed in rural areas these are not fully utilized the community is still utilising household gardens for burial purposes and such approach has negative environmental impacts. Awarenesses are done through Ward Committee and Ward meetings to engage rural communities and traditional leaders onwards a progressive mind-set.

Service Statistics for Cemeteries & Crematoriums

Closed Cemeteries

Khwezi Naledi Cemetery and Sterkspruit Town Cemetery.

Operating Cemeteries

2 Cemeteries in Rhodes, Rossouw Cemetery, 2 Cemeteries in Lady Grey, 2 Cemeteries in Barkly East and other Cemeteries in Rural Areas are currently operational.

2015/2016 CEMETERY PERFORMANCE OVERALL:

- Programmes aimed at cleaning and clearing cemeteries were monitored and as required monthly and quarterly reporting occurred (submitted to the Standing Committee);
- The Palisade fencing of the Cemetery in Sterkspruit Town was successfully completed.
- New cemeteries were developed in Rural Areas (Storomo, Madakana, Magwiji, Mokhesi).
- The approval of an appropriate EIA to develop new cemetery in Barkly East remain a challenge areas identified are not suitable in terms of the Environmental Impact Assessment however the Municipality is still on the look for alternative sites that would be suitable and meet the standards set in EIA Regulations.
- The extension of cemetery in Barkly East was also completed to curb challenges of shortage of burial land in Barkly East.
- It must be noted that three cemeteries were rehabilitated in Sterkspruit (Musong, Umlamli and Qhoboshane).
- While burials are taking place within rural areas it must be noted that there are no statistics available as no records have been sent to the municipality offices.
- There has been no funding to accommodate the electronic cemetery register and the information continues to be captured on an Excel spread sheet.
- Pauper burials were conducted as required in the manner required and indigents were buried during the said period.

- It must be noted that Sterkspruit cemetery has reached its full capacity; the cemetery is no longer utilised. We could not secure land for establishing a burial plot.

Nature and Extent of Facilities Provided: Cemeteries

LOCATION	2014/2015	2015/2016
Barkly East	3 Facilities and 127 burials	3 Facilities and 140 burials
Lady Grey	3 Facilities and 76 burials	3 Facilities and 98 burials
Sterkspruit (Urban)	1 Facility and no burial	1 Facility and no burial The facility is closed
Rhodes	2 Facilities and 9 burials	2 Facilities and 4 burials

FINANCIAL PERFORMANCE YEAR 2015/2016: CEMETERIES AND CREMATORIUMS R' 000					
Details	Year 2014/ 2015	Year 2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	22	1 384	1384	1106	80%
Expenditure					
Employees		633	605	383	63%
Repairs and Maintenance	10	810	443	113	25%
Other	57	40	43	109	253%
Total Operational Expenditure	67	1483	1091	605	0%
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference betweeen the Actual and Original Budget by the Actual					

CAPITAL EXPENDITURE YEAR JUNE 2015/16 CEMETERIES R' 000					
Capital Projects	**Year 2015/2016**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value %**
Total All	4 500	5 573	4 031	1 542	28%
Extension of Barkly East Cemetery	900	900	459	441	49%
Rehabilitation of Cemetery in Mlamli	1 200	1 330	1 035	295	22%
Rehabilitation of Cemetery in Qhoboshane	1 200	1 200	870	330	28%
Rehabilitation of Cemetery in Musong	1 200	1 600	1 254	346	22%
Fencing of Sterkspruit Cemetery	1 000	500	201	799	
Construction of Storomo Cemetery	-	114	110	4	4%
Construction of Mokhesi cemetery	-	61	59	2	3%
Construction of Madakana cemetery	-	155	34	121	78%
Construction of Magwiji Cemetery	-	114	111	3	3%
Cemetery Mbobo Village		14	14		0%
Cemeteries Phase 3 Sektor Land		85	85		0%
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

It must be noted that acquisition of land needs to be fast tracked in order to alleviate the problems of burial space and identification of new land for new cemeteries is vital to accommodate burials for 20 years.

3.12 CHILDCARE, AGED CARE, SOCIAL PROGRAMMES

Introduction to Childcare, Aged Care and Social Programmes

Special Programmes are undertaken by the Special Programmes Unit in order to provide assistance to those in need/those who have been disadvantaged in some way and in this manner to ensure a better quality of life for all.

- Local authorities have a legal mandate in the Constitution (Schedule 4B) around its duty to provide facilities for early childhood development, but other imperatives can be gleaned from its responsibility towards promoting social and economic development. In respect of child care it is required that the municipality inspects the facilities utilized in order to ensure that they meet the minimum requirements – thereby ensuring the child' s safety this is being carried out by the District Municipality where Environmental Health Practitioners inspects these facilities and report on their status and interventions necessary. The Environmental Health Practitioners assists with the monitoring of the quality of early childhood development, facilities, services and programmes rendered in those facilities.
- **SPU projects**: projects such as World Aids Day and "16 days of activism against child and woman abuse" are required to be organised;
- Upliftment of children, youth, women, people with disabilities and the like are required to be undertaken; and
- HIV/Aids programmes and the like are required to be mainstreamed through effective planning and successful execution.

2015/2016

Despite challenges many positive interventions were held. These are reflected as follows:

MEETINGS 2015/2016	DATE	ACTIVITY
WOMEN		
16 Days of Activism Meeting	11 November 2015	In preparation for Activism Imvuselelo Programme hosted by MPL Pemmy Majodina
YOUTH		
Youth Council Meeting	4 November 2015 1 March 2016	Youth Council Meeting
Integrated Youth Development Strategy Meeting	17 February 2016	Meeting to discuss the IYDS 2020 in Pretoria arranged by SALGA National
Re-launch of Senqu Youth Council	7 April 2016	Re-Launch of Youth Council and election of new committee.
Regional Youth Assembly	6 May 2016	Discussing TOR for Youth Councils in the JGDM Area of Jurisdiction
Youth Parliament	10 June 2016	Eastern Cape Provincial Legislature hosted Youth Parliament to commemorate Youth Month
Youth Road Safety Summit	11 June 2016	Department of Transport to make the Youth Aware of Road Safety Programs
SMME Youth Summit	14-15 June 2016	Jogeda in conjunction with Stellenbosxch University Small Business Academy hosted this summit to make youth aware of SMME opportunities
DISABLED		
Designated Groups Induction Workshop	18-19 November 2015	Designated Groups were inducted on TOR of their Committees.
Workshop for Disabled	7 June 2016	
National Disability Rights Awareness Day	12 November 2015	Preparatory Meeting with Social Development for the NDRA day
Sign Language Workshop	23-27 November 2015	Training on sign language for SPU and Reception
Capacity Building Workshop	5 May 2016	Capacity Building Workshop

for Persons with Disabilities		

MEETINGS 2015/2016 (cont.)	DATE	ACTIVITY
SPORTS		
SALGA Games LOC Meeting	17 November 2015	Preparatory Meeting for SALGA Games
Ward Mayoral Tournament Programme	11-31 March 2016	Ward teams selection for Mayoral Tournament
Sports Against Crime LOC Meeting	01 February 2016	Preparatory Meeting with Dept of Safety and Liaison for Sports Against Crime Event
SALGA Games Review Meeting	10 February 2016	Review the SALGA Games Event
Senqu Youth Festival and Mayoral Tournament Meeting	12 February 2016 26 February 2016 11 March 2016	Preparatory Meeting
Merger of Premier and SALGA EC Games	15 March 2016	To discuss the proposed Merger of the two games.
Senqu Youth Festival and Mayoral Cup Evaluation Meeting	5 May 2016	Evaluation of the Mayoral Cup Event
SAMSRA National General Council Meeting	23-24 June 2016	Meeting in preparation of SAMSRA Annual Games
HIV/Aids		
Local Aids Council Meeting (LAC)	17 September 2015 30 November 2015 13 June 2016	Establish sub-committees (as prioritised in the Implementation Plan of Senqu Multi-Sectoral HIV & AIDS, STI & TB Strategic Plans
16 Days of Activism	8 March 2016	Planning Meeting
HIV/AIDS & TB Awareness	11 August 2015 19 August 2015	Preparatory Meetings
HIV/AIDS & TB Open Day Event	27 August 2015 29 July 2015	Held in Barkly East Town hall. Held at Wittebergen Community Hall
Distribution of Condoms	4 May 2016 1 June 2016	Distribution of condoms within Senqu Municipality.
District Aids Council Meeting	29 September 2015	Implemented and reports submitted to Council.

Ward Aids Forums	05 May 2016 29 January 2016	Formation of Ward Aids Forums in Barkly East
Home Based Care Meetings: Masesabelane & Masikhule	26 January 2016 21 September 2016	Regular Meetings with HBC" s to check challenges etc.
World Aids Day	8 December 2015	World Aids Day Commemorated in Musong Village.

The 2015/2016 period is reflected on as follows:

- The HIV/Aids Strategy was implemented and reported on monthly;
- It must be noted that the formal SPU Plan was not reviewed and submitted as was required. Notwithstanding all required reporting regarding SPU issues were submitted to the Standing Committee as per the SPU Activity Plan;

  All SPU structures meetings sat as follows;

Youth

- Youth Council Meeting sat 4 November 2015 and 1 March 2016;
- Integrated Youth Development Strategy Meeting met on 17 February to discuss the IYDS 2020 in Pretoria arranged by SALGA National;
- The Re-Launch of Youth Council and election of new committee was held 7 April 2016;
- The Regional Youth Assembly discussed TOR for Youth Councils in the JGDM Area of Jurisdiction on 6 May 2016;
- The Eastern Cape Provincial Legislature hosted Youth Parliament to commemorate Youth Month on 10 June 2016;
- The Youth Road Safety Summit - Department of Transport to make the Youth Aware of Road Safety Programs – 10 June 2016
- 11 June 2016 - Department of Transport set up the Youth Aware of Road Safety Programs
- SMME Youth Summit - Jogeda in conjunction with Stellenbosch University Small Business Academy hosted this summit to make youth aware of SMME opportunities- 14-15 June 2016

Women

- Meeting held 11 November 2015 In preparation for Activism Imvuselelo Programme hosted by MPL Pemmy Majodina Women: 16 Days of Activism Meeting;

Disabled

- Designated Groups Induction Workshop was held 18-19 November 2015;
- A workshop for the Disabled was held – 7 June 2016;
- A preparatory meeting with Social Development for the National Disability Rights Awareness day was held 12 November 2015;
- Training on sign language for SPU and Reception was held 23 to 27 November 2015;
- A capacity building workshop for persons with disabilities was held 5 May 2016.

- **HIV/AIDS**

  - The LAC (Local Aids Council) meetings were held on the following dates:
  - 17 September 2015; 30 November 2015; 13 June 2016 these meetings covered the establishment sub-committees (as prioritised in the Implementation Plan of Senqu Multi-Sectoral HIV & AIDS, STI & TB Strategic Plans;
  - A planning meeting was held on 8 March 2016 to discuss 16 Days of Activism;
  - HIV/AIDS & TB Awareness – preparatory meetings were held 11 and 19 August 2015 ahead of the Open Day Events that were held 27 August 2015 in Barkly East Town hall and 29 July 2015 at Wittebergen Community Hall;
  - Condoms were distributed within Senqu Municipality 4 May 2016 and 1 June 2016;
  - The District Aids Council met on 29 September 2015;
  - The Ward Aids Forums sat in Barkly East on 05 May 2016 and 29 January 2016;
  - Home Based Care Meetings: Masesabelane & Masikhule -26 January 2016 and 21 September 2016;
  - World Aids Day Commemorated in Musong Village on 8 December 2015

- The table below details more extensively the meetings held within SPU and the attendance thereof:

MEETING	DATE	CLLRS	OFFICIALS	COMMUNITY MEMBERS
WOMEN				
Internal Women's Day Celebrations	10 September 2015	05	14	42
Women's Day Celebrations and Revival of the Structure	8 September 2015	21	01	ECPL = 02
16 Days of Activism Meeting	11 November 2015	2	2	21
YOUTH				
Youth Council Meeting	04 November 2015	4	01	04
Children's Rights Governance and Development of Action Plan	9-11 September 2015	01	16	05

Workshop				
Audition Programme in Preparation for 2016 Youth Festival	23 October - 1 November 2015	-	02	11
SPU Training of Coaches in Zava	25 – 26 July 2015	2	2	
Integrated Youth Development Strategy Meeting	17 February 2016	-	40	-
Re-launch of Senqu Youth Council	7 April 2016		2	11
Regional Youth Assembly	6 May 2016	-	10	
Youth Parliament	10 June 2016	5	2	151
Youth Road Safety Summit	11 June 2016	30	2	66
SMME Youth Summit	14-15 June 2016	5	2	164

SPU Meetings and attendance (cont.)

MEETING	DATE	CLLRS	OFFICIALS	COMMUNITY MEMBERS
DISABLED				
Designated Groups Induction Workshop	18-19 November 2015	2	6	49
Workshop for Disabled	7 June 2016			
National Disability Rights Awareness Day	12 November 2015		4	40
Sign Language Workshop	23-27 November 2015		3	
Capacity Building Workshop for Persons with Disabilities	5 May 2016	-	10	30
SAMSRA Games	19-26 September 2015			
Race Marathon / Indigenous and Craft Festival	11-13 September 2015	01	03	06
HIV/Aids				
• Awareness at Lady Grey	31 October 2015	4	4	-
• Awareness at Zava	29 July 2015	5	3	387

• Awareness at Barkly East	27 August 2015	4	3	196
• Local Aids Council	17 September & 30 November 2015; 13 June 2016	4 4 3	6 6 3	52 39 46
16 Days of Activism	8 March 2016	2	10	73
HIV/AIDS & TB Awareness	11 August 2015 19 August 2015	4	10	91
HIV/AIDS & TB Open Day Event	29 July 2015	14	6	94
Distribution of Condoms	4 May 2016 1 June 2016			
District Aids Council Meeting	29 September 2015	2	8	16
Ward Aids Forums	05 May 2016 29 January 2016	2 7	8 6	19 28
Home Based Care Meetings: Masesabelane & Masikhule	26 January 2016 21 September 2016	1 1	2 1	28 3
World Aids Day	8 December 2015	10	14	215

COMPONENT E: ENVIRONMENTAL PROTECTION

3.13 BIODIVERSITY AND LANDSCAPE (INCLUDING PUBLIC OPEN SPACES) AND OTHER

Introduction Bio-Diversity and Landscape

Management, maintenance and development of Parks, open spaces and beautification of areas. Horticultural practises which includes, beautifying, landscaping of town entrances, maintenance of sidewalks and grass cutting.

Parks and Public Open Spaces

It is the objective of this function to provide and maintain the presence of parks and open spaces so as to ensure that a pleasant environment is created for the community.

This function has been well-achieved and it is noted that:

- The Cleaning Operational Plan was implemented. On-going maintenance occurs according to available budget and schedules, (in respect of grass cutting/mowing, grading/ploughing and cleaning);
- Parks are maintained on a monthly basis and reports submitted timeously to standing Committees as required;
- Grass cutting in Towns and Townships between September and May.
- The development of a park in Lady Grey could not be done due to delays in Procurement however the project has been moved to next financial year.
- The municipality received funding amounting to R 5million from National Department of Environmental Affairs to develop a Park in Steve Tshwete Township Lady Grey. The project has been delayed by approval of business plan by the DEA however employees were hired and we are now awaiting for the delivery of the equipment.

Capital Projects	Year 2015/2016

	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All					
Chain Saw	10	10	6	-4	6
Park in Lady Grey	500	500	70	430	500
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

COMPONENT F: HEALTH

3.14 HEALTH INSPECTION

Introduction to Licencing and Regulation Control

It is the intention of this function to improve the economic development within the community in respect of both formal and informal businesses. It is also the intention to regulate the trading activities of the licence holders.

Strategic Objectives*:*

- Promotion of the development of strategic sites within the municipality by marketing these to the developers; and
- Formulating an informal trading policy and using this to promote trading facilities as required.
- Issuing of licenses and controlling of trading within the municipality

2015/2016 LICENCING AND REGULATION PERFORMANCE OVERALL:

- During the financial year Licensing and Regulation Compliance Officer was employed, the person is responsible for control of all licensing and regulation issues.

- Sterkspruit Hawkers Association was formed and meet on regular basis to discuss issues relating to trading. Training was also conducted for Sterkspruit Hawkers.
- Currently a greater challenge relates to the issues of non-compliance of business premises with regulations and this make it extremely difficult to licence. In this regard Joe Gqabi District Municipality is conducting regular follow-up inspections in order to ensure that premises do comply in order that licences can be issued.
- Income was generated through issuing of temporary licenses during pension pay out days and annual renewal of Hawkers licenses.
- In the current year a number of requests for business licenses were received and accordingly none were issued as the business premises did not comply with the required legislation. In this regard the Environmental Health Practitioners keep on re-evaluating the premises. However other qualifying businesses were issued with licences.
- The Licensing and Regulation Officer also dealt with a number of issues including control of advertising within the Municipality where he ensures that permit are issued for people wishing to advertise and a prescribed fee is paid.

COMPONENT G: SECURITY AND SAFETY

3.15 INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES

Introduction to Disaster Management, Animal Licencing and Control, Control Of Public Nuisances

Within this area the functions of Disaster Management and Commonage Management and Pounds and Control pf Public Nuisances will be examined.

Disaster Management

The municipality does not have its own functional Disaster Management Unit it is the responsibility of the District Municipality. The district has conducted a section 78 process and has come up with proposals to hand the function over to the municipality.

Because there are still uncertainties in the report from the district, the municipality management has taken a decision to conduct own section 78 process as issues like – how much is needed to run the service

- What personnel do we need to take over from the district
- Resources human and funding
- Implications to the municipality of taking over the service

The Director Community Services attends meetings of Disaster management on advisory capacity and liaise with the district on issues of common interest.

Commonage Management and Pounds

A commonage Management Plan for Lady Grey, Rhodes, Barkly East and Rossouw was developed and establishment of the appropriate committees and to ensure that stock control and management of pounds occurs in the manner required.

During the 2015/2016 period it is noted that:

- A commonage management plan was developed which highlighted issues that must be looked in the management of commonage. The issues introducing resting and rotation of camps, maintenance of fences and water, development of permanent pastures, Water Provision in camps and Erosion Control. This document serves as a guideline going forward in terms of planning to improve commonages.
- Commonage Management Awareness Campaigns were held quarterly in collaboration with other Government Department to educate farmers about the use of commonage and how to overcome challenges of overgrazing and overstocking.
- Stock registers were developed, maintained and updated quarterly. These were developed and counting was completed as required, reporting was submitted to the Standing Committee monthly;
- The maintenance of commonage fence and pound was carried out during the financial year.
- Stray animals were impounded as and when they were caught and monthly reports detailing these statistics were submitted to the standing committee;

<u>Challenges</u>

- Overgrazing and continuous grazing in the commonage is still a challenge as the users are not willing to practise veld management despite awareness' s that are being conducted but do not yield any positive results.
- Small farmers are not are willing to pay the grazing fees for the
- The municipality is also facing challenges of impounding animals there is no suitable and approved pound which makes it difficult to impound animals as they are stolen after hours in the pound.
- Fence is being repaired in the commonage by the Municipality the biggest challenge is the fence that is being stolen and this creates a situation where it is impossible to maintain the commonage and practice rotational grazing according to the commonage management plan.

Impounding of Animals

The overall objective is to ensure that stray animals are removed from the roads and streets and are impounded. Pounds are to be established and maintained accordingly. Due to budget constraints, this service is provided at a very basic level.

During the 2015/2016 period it is noted that:

- Budget was allocated for a New Pound to be established in Lady Grey this was a multi-year project 2015/16 to 2016/2017 the project will be completed in 2016/2017. During the financial the tender was advertised consultants were appointed

Income derived from pound fees is reflected as follows

INCOME 2014/2015	INCOME 2015/2016
147 968,44	-56 165,72

Income for the pounds function is reflected as follows (Figures to be provided):

FINANCIAL PERFORMANCE YEAR JUNE 2016: DISASTER MANAGEMENT , BY LAW IMPLEMENTATION (ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES) R546 879					
Details	**Year 2014/2015**	**Year 2015/2016**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	147			56	
Expenditure					
Employees		328	397	727	-83%
Repairs Maintenance					
Other	89	431	492	276	-14%

Total Operational Expenditure	89	759	889	1003	-17%
Net Operational Expenditure	58	-759	-889	-947	-17%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5					

CAPITAL EXPENDITURE YEAR JUNE 2015/16 POUNDS R' 000					
Capital Projects	Year 2015/2016				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All					
Pound Project Lady Grey	250	250	0	100%	250
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

COMPONENT H: SPORTS AND RECREATION (Includes community halls, sports fields, sports halls, stadiums, swimming pools and camp sites)

3.16 INTRODUCTION TO SPORT AND RECREATION

The municipality is required to provide basic sport and recreation facilities within the entire municipal area.

The related top service delivery priorities are reflected as:

- The construction of two sports fields in Wards 2 and 13; and
- The upgrade of the Barkly East sports field;

Nature and extent of facilities provided:

LOCATION	FACILITIES
Barkly East	1 x Multipurpose field 1 x Soccer field

Lady Grey	1 x Multipurpose field 2 x soccer fields 1 x golf Course run by the Golf Club on a lease agreement
Sterkspruit	1 x multipurpose field renovated
Rhodes	1 x soccer field 1 x tennis court

2015/2016 SPORT AND RECREATION PERFORMANCE OVERALL:

- All urban area sports fields were maintained in terms of the approved maintenance plan and reports in terms of this have been submitted as required to the standing committee;
- The maintenance programme was implemented as planned general maintenance (grass cutting, mowing, grading, ploughing and cleaning).
- Inspections took place through physical inspections, evaluations and the completion of inspection reports;
- Installation of flood lights in Sterkspruit multipurpose field.
- There is a lack of maintenance of rural sports grounds due to the lack of funding. These grounds need to be graded.
- 5 Sets of soccer net and poles were purchased for sports grounds (Khwezi Naledi, Voyizana, Entsimekweni, Dulciesnek and Phelandaba).
- Phase 2 in respect of the following 2 sport fields has not been achieved because of delays in procurement:
  - Kwa Gcina sportfields
  - Naledi sportfields

FINANCIAL PERFORMANCE YEAR 2015/2016: SPORT AND RECREATION R'000					
Details	**Year 2014/ 2015**	**Year 2015/2016**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue					
Expenditure					
Employees		663	607	560	84%
Repairs and Maintenance	398	170	75	264	352%
Other	299	75	177	61	34%
Total Operational Expenditure		908	859	885	103%

Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference betweeen the Actual and Original Budget by the Actual					

CAPITAL EXPENDITURE YEAR JUNE 2015/16 SPORT AND RECREATION R' 000					
Capital Projects	Year 2015/2016				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All					
Refurbishment of Barkley East sport field	0	1250	28		1250
Upgrading of Sport sfield, Naledi in ward 13	2820	2820	401	86%	2820
Upgrading of sportsfield Kwag cina in ward 2	2518	2518	401	84%	2518
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

*3.*17 Indoor Recreational Community Facility (Halls)

Introduction to Indoor Community Facilities (Halls)

Manage maintenance and development of all municipal sports facilities and the promotion and development of sports and recreation. Maintenance plans for the sports facilities were developed.

Service Statistics for Community Halls

The table below details the use and accessibility of community halls.

LOCATION	FACILITIES
Barkly East	3 x Facilities. Nkululeko Hall in good working condition Barkly East Town Hall in good working condition Fairview in a bad state of repair
Lady Grey	3 x Facilities Khwezi Naledi Hall in good working condition Lady Grey Town Hall needs renovation

	Transwilger in a base state of repair
Sterkspruit (Urban)	1 x Facility in good working condition.
Sterkspruit (rural areas)	19 x Facilities.
Rossouw	1 x Facility. Rossouw Hall in good working condition
Rhodes	1x Facility in good working condition

There are 28 multipurpose centres (inclusive of rural areas) and it must be noted that there are facilities rural areas which needs maintenance though there is no revenue generated.

- During this period it must be noted that although renovations for Transwilger Indoor Recreational Community Facility (IDP predetermined target), this could not be achieved due to budgetary constraints and also as a result of the insurance claim being repudiated. The project was readvertised by Quarter 4 and was in the process of being adjudicated.
- Lady Grey Indoor Recreational Community Facility could not be renovated as the project was placed on hold as the funding for this project was diverted to the renovations of the Transwilger Indoor Recreational Facility. The renovations for the Lady Grey Indoor Recreational Community Facility has been moved to the next financial year (2016/2017)
- MIG projects for the development of new halls/facilities was done,
  - Construction of Indoor Recreational Community Facility for Magadla Ward 12, the project was completed;
  - Construction of Indoor Recreational Community Facility Esilindini Ward 18, this project was also completed; and
  - Construction of Indoor Recreational Community Facility Ngquba Ward 9 there was been project on this project however there were challenges with the contractor due to poor performance of the contractor but milestones are acknowledged and intervention mechanisms have been instituted and the project will be carried over in the next financial year.

- Indoor Recreational Community Facilities are cleaned and maintained as per the cleaning and maintenance schedule and reported monthly to the standing committee.
- It must be noted that facilities in the rural areas are experiencing challenges when it comes to operation and maintenance due to the vast distance between these facilities and municipal offices. These Indoor Recreational Community Facilities are operated by elected committees in the rural areas, Ward Councillors and Ward Committees. Halls in rural areas are not fully maintained due to limited budget.

Income for the pounds function is reflected as follows (Figures to be provided):

FINANCIAL PERFORMANCE YEAR JUNE 2016: COMMUNITY HALLS					
Details	**Year 2014/2015**	**Year 2015/2016**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	18	27	27	131	485%
Expenditure					
Employees	2 271	2 456	2 362	2 141	91%
Repairs Maintenance	172	420	396	392	99%
Other	825	896	1,263	1,321	105%
Total Operational Expenditure	3,268	3,772	4,021	3851	96%
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5					

CAPITAL PROJECTS

CAPITAL EXPENDITURE YEAR JUNE 2015/16 COMMUNITY HALLS R' 000					
Capital Projects	**Year 2015/2016**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Total All	7,733	10,753	7,757	28%	10,753
Capital: Community Halls Ward 9	2,580	3,900	2,429	38%	3,900
Capital: Community Halls Ward 12					

Capital: Community Halls Ward 18	2580	3,580	2896	19%	3,580
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					

COMPONENT I: MISCELLANEOUS

ICT

During this financial year the vacant post of ICT Manager was filled.

The ICT Governance Framework was approved on 30 June 2016. The ICT Disaster Recovery Plan forms part of the ICT Governance Framework. Back – ups are completed in terms of this and back up registers are provided in order to validate this. During this financial year the IT Security Policy was also reviewed.

There has been an improvement usage and management of ICT. Downtime of the server is managed, monitored and reported on if this exceeds 3 hours and is related to hardware and software. Monitoring and maintenance of servers are done regularly. 12 monthly reports were tabled to the Finance Standing Committee to this effect. It must be noted that this excludes downtime associated with electricity outages or any general server reboots. Monthly reporting in respect of systems downtime (for emails and internet as a result of hardware or network failure) is reported to the Standing Committee. In addition, it must be noted that four (4) quarterly reports on IT Audit issues are presented to Standing Committees and management in order to ensure that any IT issues raised within the IT Audit are formally addressed and reported on.

Supply Chain Management

Within both financial years it is apparent that in as far as Supply Chain Management is concerned, steps have been taken to ensure compliance in all instances. Risk assessments on the Supply Chain Management system were concluded all periods of assessment.

Historically irregular expenditure has been experienced as a result of non-compliance with SCM regulations. This is regarded in a very serious light by the Municipality and has resulted in many and an ongoing efforts to strengthen the SCM' s control environment in order to ensure that irregular expenditure is eliminated completely. Strict controls and the invitations for competitive bidding as per the Supply Chain Management Policy are undertaken. Additionally, the Sebata system now alerts one when a vote has insufficient funds.

Tender Committees are functioning well overall although it must be noted that not all the tenders are adjudicated within 3 months of advertisement. While the quarterly tender adjudication reports have been tabled as planned, timeframes are at times a challenge and the last quarter tender adjudication report was tabled with a variance to the time frame. Efforts to manage the adjudication turnaround time and to manage reporting timeframes are required to be met. Reporting on contracts awarded has improved and the related targets for reporting on this have been met while acknowledging that variations in timeframe submissions have occurred. It is recognized overall that the supply chain function and its effectiveness is also dependent on the cooperation of other directorates and the quality of their reporting. Emphasis on improvement continues to be placed on the need to ensure that reporting remains of a high quality and is specific to providing valuable information regarding suppliers and related contracts. The Supply Chain Manager is capacitating the staff and directorates regarding SCM prescriptions and greater cooperation between the supply chain section and other directorates, will undoubtedly facilitate more effective reporting and SCM practices and control moving forward.

Overall there is stricter adherence to the prescriptions of the Supply Chain Management Policy and every effort is made ongoing to continue to improve in this regard.

The following statistics are provided in respect of the Tender Committee functioning:

SCM STATISTICAL AND COMPLIANCE/ADMINISTRATIVE REPORTING: 2015/2016

Total number of times that the Tender Committee met during 2015/2016	
Specifications Committee	13 meetings
Evaluation Committee	11 meetings
Adjudication Committee	4 meetings
Total number of Tenders considered	88
Total number of Tenders approved	75
Average time taken from tender advertisement to award of a tender:	Days: 2 Weeks 10.Months 2

BID Committee Members		
Bid Specification Committee Members	**Bid Evaluation Committee Members**	**Bid Adjudication Committee Members**
K Fourie (Chairperson)	K Fourie (Chairperson)	CR Venter (Chairperson)
N Smith (SCM Practitioner)	N Smith (SCM Practitioner)	N Sbukwana (SCM Official)
X Mninzelwa	X Mninzelwa	P Bushula
M Theron	M Theron	T Wonga
U Sobudula	U Sobudula	L Gologolo
T van Zyl	T van Zyl	R Crozier
T van Rensburg	T van Rensburg	
L Tobben	L Tobben	
P Oliphant	P Oliphant	
B Viedge	B Viedge	
D Oertel	D Oertel	
N Nkopane	N Nkopane	
C Salmani	C Salmani	
S Mbekushe	S Mbekushe	
N Makaba (Secretary –	N Makaba (Secretary –	

SCM)	SCM)	

MUNICIPAL INFRASTRUCTURE/CAPITAL PROJECTS AND SERVICE PROVIDER PERFORMANCE REPORT

Section 76(b) of the MSA requires that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement:

- Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- The performance of each service provider
- A Comparison of the performance with targets set for and performances in the previous financial year; and
- Measures taken to improve performance.

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount more than R200 000 are listed.

COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD

Focus area and IDP No	Objective	Strategy	5-year Target	Annual Goals		Responsible Department
				2015	2016	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT						
TRAFFIC - BSD01	To effectively manage the	To ensure that the traffic section	Effectively operating traffic	Effectively operating	Effectively	Finance
ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE-BSD02	To maintain and upgrade existing access roads and stormwater	To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	Annual maintenance and construction of existing access roads and bridges	Annual maintenance and construction of existing access roads and bridges	Annual maintenance and construction of existing access roads	Technical services
			Annual maintenance and construction of identified storm water systems	Annual maintenance and construction of identified storm water systems	Annual maintenance and construction of identified storm water systems	Technical Services
INDOOR RECREATIONAL COMMUNITY FACILITIES - BSD03	To provide and maintain community facilities	To ensure effective management of infrastructure and facilities	All wards to have at least 1 central indoor recreational facility and maintenance of existing facilities	Building of 1 facility	Building of 1 facility	Community Services
CEMETRIES AND PAUPER BURIAL-BSD04	To maintain and effectively monitor Cemeteries	To ensure regular maintenance of cemeteries	Clean, establish and maintain all cemeteries in urban areas and villages around Sterkspruit	Clean and maintain all cemeteries in urban areas and villages around Sterkspruit	Clean and maintain all cemeteries in urban areas and villages around Sterkspruit	Community Services
		To improve cemetery records and administration	Electronic cemetery register	*	*	Community Services
		To build new cemeteries	New cemeteries	New cemeteries	New cemeteries	Community Services
		To facilitate pauper burials	Pauper burials annually	Pauper burials annually	Pauper burials annually	Community Services
SPORTS BSD05	To maintain and develop sports facilities	To maintain, identify, establish and upgrade existing urban sportsfields	Existing urban sites must be well maintained and in good condition.	Upgrading of Hershel sportsfields	Upgrading of Barkly East sportsfields	Community Services

			Sportsfields site identified for upgrading and development			

Focus area and IDP No	Objective	Strategy	5-year Target	Annual Goals		Responsible Department
				2015	2016	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (CONT.)						
LIBRARIES – BSD06	To provide reading and study material	To provide library services to all residents	All urban areas to have well maintained libraries	Ensuring regular library hours	Ensuring regular library hours	Community Services
PARKS AND PUBLIC OPEN SPACES - BSD07	To provide and maintain parks and open spaces creating a pleasant environment for communities	To create a healthy and sustainable environment by maintaining and developing public open spaces	Development and maintenance of parks and public open spaces in each urban area.	Annual grass cutting programme	Annual grass cutting programme	Community Services
				Annual maintenance of public parks and open spaces	Annual maintenance of public parks and open spaces	
LICENSING AND CONTROL OF ANIMAL - BSD08	To manage commonages and control stray animals within Senqu Municipality	To maintain and control the commonages	To ensure that all commonages are utilised adequately and adhere to good veld management practises	Annual maintenance & awareness campaigns	Annual maintenance & awareness campaigns	Community Services
			Only paying stock owners and other paying hirers to be utilising the commonages	Commonage lease signings	Commonage lease signings	
		To maintain and effectively operate the pounds	Well maintained pounds and limited number of stray animals	Annual Training on animal bylaw	Annual Training on animal bylaw	
				Pound maintenance and operation	Pound maintenance and operation	
WASTE MANAGEMENT - BSD09	To provide efficient and economical refuse collection and recycling services	To improve the quality of life for our communities by eradiating refuse service delivery backlogs	Increase refuse collection to 7 rural villages around Sterkspruit	Increase refuse collection to Mokhesi & Zwelitsha	Increase refuse collection to the other 3 villages	Technical services
		To reduce waste through awareness campaigns.	To have an educated community around waste and a clean environment	4 clean-up and awareness campaigns	4 clean-up and awareness campaigns	
		To effectively manage and reduce waste	Weighbridges at all waste site to indicate amount and type of			

			waste entering the site			

Focus area and IDP No	Objective	Strategy	5-year Target	Annual Goals		Responsible Department
				2015	2016	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (CONT.)						
WASTE MANAGEMENT - BSD09 Cont.)	To provide efficient and economical refuse collection and recycling services	To reduce waste reaching landfill sites through recycle campaigns.	Implement waste recycling measures in all urban areas	Facilitate the development of further waste recycling initiatives	Facilitate the development of further waste recycling initiatives	Technical Services
FREE BASIC SERVICES BSD10	To provide economical and appropriate services for the poor	To ensure that the indigent register is accurate	Annual updating of the indigent register	Annual updating of the indigent register	Annual updating of the indigent register	Technical Services
		That all registered indigent households receive free basic electricity and refuse removal	No of indigent households receiving free basic electricity and refuse removal	No of indigent households receiving free basic electricity and refuse removal	No of indigent households receiving free basic electricity and refuse removal	
ELECTRICITY AND STREET LIGHTING BSD11	To maintain, expand and upgrade existing electrical networks and street lighting	To upgrade the electrical network through installation of new lines (LV,MV & HV)	All urban areas to have sufficient and reliable electrical supply	Installation of new lines	Installation of new lines	Technical Services
		To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment	Stable network	Annual maintenance and repair schedule	Annual maintenance and repair schedule	
		To install street lights in all existing urban areas under municipal control	All urban areas to have street lights	Installation of street lights	Installation of street lights	
		To electrify all municipal infrastructure such as community halls and stadiums to increase community usage	Electrification of all community halls where electricity is available			
		To reduce electrical leakage by maintaining existing equipment and installing new equipment	To reduce electrical leakage to under 3 %	Decrease electrical leakage to under 4 %	Decrease electricity losses to 3 %	
OFFICE SPACE BDS12	To provide adequate office space for staff	To provide office space and parking by building new offices and renovating existing buildings	All permanently appointed staff to have access to adequate office space	All permanently appointed staff to have access to adequate office space	All permanently appointed staff to have access to adequate office space	Technical Services

TOURISM LED01	To promote tourism in the Senqu area	To promote responsible tourism and arts and heritage through continued support to local initiatives	Implement the Tourism Master plan	Implement the Tourism Master Plan	Implement the Tourism Master Plan	Development and Planning
Focus area and IDP No	**Objective**	**Strategy/ Goals**	**5-year Target**	**Annual Goals**		**Responsible Department**
				2015	**2016**	
KPA 2: LOCAL ECONOMIC DEVELOPMENT						
LED 02	To create an conducive environment for the promotion and development of the local economy	To promote and attract development in the local economy through implementation of the LED strategy	Implement the LED strategy	Implement the LED strategy	Implement the LED strategy	Development and Planning
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY						
SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	To ensure the efficient and effective procurement of goods and services	To promote the growth of BBEE and local contractors through supply chain management processes	45 % of tenders awarded to local businesses and BBBEE companies.	40 % of tenders awarded to local businesses and BBEE companies.	45 % of tenders awarded to local businesses and BBBEE companies.	Finance
		To ensure that bid committees function in accordance with SCM legislation	Fully functional and compliant bid committees	Regular reporting on the work of bid committees	Regular reporting on the work of bid committees	
		To comply with the MFMA prescriptions of supply chain management	Legislative compliance of supply chain management	Legislative compliance of supply chain management	Legislative compliance of supply chain management	
ASSET MANAGEMENT- MFMV02	To manage, control and maintain all municipal assets according to MFMA regulations and good assets management practices	To ensure monitoring of Municipal Assets per Department through regular asset checks and reporting	All Municipal assets accounted for and barcoded.	Quarterly asset verification reports per department	Quarterly asset verification reports per department	Finance
		To ensure compliance by developing and maintaining a fully GRAP compliant asset register	Fully GRAP Compliant Asset register	Fully GRAP Compliant Asset register	Fully GRAP Compliant Asset register	

Focus area and IDP No	Objective	Strategy/ Goals	5-year Target	Annual Goals		Responsible Department
				2015	2016	
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY (CONT.)						
Focus area and IDP No	**Objective**	**Strategy**	**5-year Target**	**Annual Goals**		**Responsible Department**
				2015	**2016**	
FINANCIAL MANAGEMENT - MFMV03	**T**o become a financial viable municipality that is able to account and report on all monies spent for service delivery purposes	To ensure the financial viability of the municipality by applying the Cogta prescribed ratios for debt coverage, outstanding service debtors to revenue and cost coverage	Cash backed budget	Cash backed budget	Cash backed budget	Finance
		To expand and protect the municipal revenue base by providing accurate bills for services rendered	All bills are accurate and delivered and processed monthly	Monthly processing of customer accounts. Accounts are 99.5 % accurate and delivered timeously	Monthly processing of customer accounts. Accounts are 100% accurate and delivered timeously	
		To decrease unauthorised, irregular, fruitless, wasteful expenditure and minor breaches through regular reporting	Decrease in unauthorised, irregular, fruitless, wasteful expenditure and minor breaches	Regular reports	Regular reporting	
		To comply with the MFMA prescripts by submitting various documents	100 % MFMA compliance	100 % MFMA compliance	100 % MFMA compliance	
		To increase the amount of expenditure on the capital and operational budget including conditional grants	100% expenditure of OPEX and CAPEX budget including conditional grants	98% expenditure of OPEX and CAPEX budget including conditional grants	100%	

Focus area and IDP No	Objective	Strategy/ Goals	5-year Target	Annual Goals		Responsible Department
				2015	2016	
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY (CONT.)						
Focus area and IDP	**Objective**	**Strategy**	**5-year Target**	**Annual Goals**		**Responsible**

No				2015	2016	Department
REPORTING - MFMV06	To ensure that reporting is consistent with what is actually happening in the municipality and enhance financial monitoring	To develop and submit S 71 reports as per MFMA guidelines and prescripts	Development and submission of the section 71 report as per MFMA datelines	12 S 71 reports delivered timeously	13 S 71 reports delivered timeously	Finance
IT - MFMV07	To provide a reliable and effective ICT system	To ensure an continually secure, effective and efficient ICT service through implementation of ICT policies and plans and upgrading of ICT equipment	An secure, updated and effective ICT system with minimum downtime	Annual maintenance of ICT hardware and software	Annual maintenance of ICT hardware and software	Finance
				Disaster recovery plan implemented	Disaster recovery plan implemented	
				Maintained and effective internet and email facilities	Maintained and effective internet and email facilities	
				Implemented HR Development strategy	Implemented HR Development strategy	
				Reports on annually adopted and implemented WSDP	Reports on annually adopted and implemented WSDP	

Focus area and IDP No	Objective	Strategy/ Goals	5-year Target	Annual Goals		Responsible Department
				2015	2016	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT						
EMPLOYMENT EQUITY - MTID02	To promote effective and inspiring governance	To develop and implement the employment equity plan as per the set targets	To ensure compliance with employment equity targets	Review, develop and implement and employment equity plan	Review, develop and implement and employment equity plan	Corporate Services
RECRUITMENT, SELECTION AND EMPLOYEE MANAGEMENT - MTID03	To have an effective and Transparent performance driven organisation capable of effective service delivery and sound administration	To ensure that the organisational structure of the Municipality is aligned to its present and future staffing needs and requirements	An adopted organisational structure that meets the needs of the municipality	To have all the vacant and funded positions filled and annual reviewal of staff establishment	To have all the vacant and funded positions filled and annual reviewal of staff establishment	Corporate Services
		To ensure effective management of staff and policy and procedure processes through job descriptions, leave management and clock in systems	Signed job descriptions for all posts	Job descriptions for every post	Job descriptions for every post	
			All leave is correctly captured and processes adhered to	Leave control procedures 100 % adhered to	Leave control procedures 100 % adhered to	
			All buildings have adequate clock in systems	Implemented clock in systems	Implemented clock in systems	
EMPLOYEE WELLNESS PROGRAMME - MTID04	To build a healthy, competent and effective workforce	To ensure the physical and mental wellbeing of employees through the implantation of an employee wellness programme	Implemented wellness programme	Implemented wellness programme	Implemented wellness programme	Corporate Services
OCCUPATIONAL HEALTH AND SAFETY - MTID05	To provide a healthy and safe working environment	To ensure that all Senqu buildings and staff adhere to and implement OHS legislation	100 % compliance with OHS legislation	Implemented OHS Act	Implemented OHS Act	Corporate Services
LOCAL LABOUR FORUM - MTID 06	To promote fair Labour Practices	To ensure a good relationship between management and employees through regular interactions on labour issues	Good labour relations	LLF sits regularly	LLF sits regularly	Corporate Services
LEGAL SERVICES - 07	To eliminate the number of litigations against the municipality	To ensure that the Municipality implements sound management controls in order to mitigate against unnecessary litigation	All contracts are up to date and that the necessary legal services are contracted	All contracts are up to date and that the necessary legal services are contracted	All contracts are up to date and that the necessary legal services are contracted	Corporate Services

Focus area and IDP No	Objective	Strategy/ Goals	5-year Target	Annual Goals		Responsible Department
				2015	2016	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT (CONT.)						
Focus area and IDP No	**Objective**	**Strategy**	**5-year Target**	**Annual Goals**		**Responsible Department**
				2015	**2016**	
POLICIES AND BY-LAWS - MTID 08	To provide manage municipal matters within prescribed legislations and policies	To review and implement departmental policies, procedures, procedure manuals and bylaws annually	Constantly reviewed and implemented policies, procedures, procedure manuals and bylaws	Annual review and implement ion of departmental policies, procedures, procedure manuals and bylaws	Annual review and implement ion of departmental policies, procedures, procedure manuals and bylaws	Corporate Services
BUILDINGS - MTID 09	To provide for suitable and secure working conditions for municipal staff and councillors	To ensure that municipal buildings and assets are maintained and secured	Implemented annual maintenance plan	Implement and develop annual maintenance plan	Implement and develop annual maintenance plan	Corporate Services
RECORDS MANAGEMENT - MTID10	To safe guard municipal information in an effective manner	To ensure that Municipal information is kept secure and filed and archived according to legislation	A fully integrated manual and electronic document management system by 2016	A implemented fully integrated manual and electronic document management system by 2016	Implement a fully integrated manual and electronic document management system	Corporate Services
PERFORMANCE MANAGEMENT AND REPORTING - MTID11	To have an effective and Transparent performance driven organisation capable of effective service delivery and sound administration	To ensure that a system of departmental and individual performance management system in implemented	Implemented policy with quarterly performance reviews	Implemented policy with quarterly performance reviews	Implemented policy with quarterly performance reviews	Development and Planning
			Signed performance agreements for S 56, Municipal Manager and Middle Management by end July	Develop and ensure performance agreements are signed annually	Develop and ensure performance agreements are signed annually	

			annually			
			To compile and submit SDBIP and performance reports as per legislation on an annual basis	SDBIP compilation and submission and monitoring of performance reports	SDBIP compilation and submission and monitoring of performance reports	
			Compilation of S 46 and S 72 reports by 25 January and end of August annually	Adopted and submitted S 46 and S 72 reports annually by legislated timeframes	Adopted and submitted S 46 and S 72 reports annually by legislated timeframes	
		To ensure adherence to town planning and building control legislation	Implemented town planning and building control legislation	Implemented town planning and building control legislation	Implemented town planning and building control legislation	
Focus area and IDP No	**Objective**	**Strategy**	**5-year Target**	**Annual Goals**		**Responsible Department**
				2015	**2016**	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT (CONT.)						
SPATIAL PLANNING - MTID12	To undertake holistic integrated development and spatial planning	To develop a new SDF and implement SPLUMA regulations	New SDF and SPLUMA implementation plan by July 2015	Adopted SDF and SPLUMA implementation	SDF and SPLUMA implementation	Development and Planning
INTEGRATED DEVELOPMENT PLANNING - MTID13	To undertake holistic integrated development and spatial planning	To ensure development and adoption of the IDP and budget process plan and IDP s per legislated timeframes	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Development and Planning
		To co-ordinate meetings of the IDP Rep forum and IDP and Budget steering committee Meetings	Quarterly meetings of IDP Rep Forum and IDP & budget Steering Committee Meetings	Quarterly meetings of IDP Rep Forum and IDP & budget Steering Committee Meetings	Quarterly meetings of IDP Rep Forum and IDP & budget Steering Committee Meetings	
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION						
RISK & FRAUD PREVENTION GGPP01	To promote and instil good governance practices within Senqu municipality to minimise risk and prevent fraud	To undertake risk assessments and develop risk plans to combat or mitigate risk where possible	100 % developed and implemented departmental risk action plans including quarterly risk reports	100 % developed and implemented departmental risk action plans including quarterly	100 % developed and implemented departmental risk action plans including quarterly	Development and Planning

				risk reports	risk reports	
		To implement the fraud prevention policy	Implemented policy	Implementation reports	Implementation reports	
COMPLIANCE GGPP02	Promote compliance with legislation	To ensure compliance with all legislated deadlines such as MFMA & MSA IDP and budget dates	Implemented compliance register	Implementation reports	Implementation reports	Development and Planning
OVERSIGHT - GGPP03	Promote Good Governance within the Senqu Municipality	To ensure quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report	Quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report by end of March	Quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report by end of March	Quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report by end of March	Office of the MM
	To promote and instil good governance and oversight	To ensure that Council and Exco meetings are held quarterly and to track Council resolutions taken	Quarterly seating's of Council and Ex-Co with tracked resolutions	Quarterly seating's of Council and Ex-Co with tracked resolutions	Quarterly seating's of Council and Ex-Co with tracked resolutions	Corporate Services

Focus area and IDP No	Objective	Strategy	5-year Target	Annual Goals		Responsible Department
				2015	2016	
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (CONT.)						
OVERSIGHT - GGPP03	Promote Good Governance within the Senqu Municipality	To ensure good governance through the monitoring of the implementation of the OPCAR and Audit action plan	Implemented and developed annual OPCAR & Audit action plan	Implemented and developed annual OPCAR & Audit action plan	Implemented and developed annual OPCAR & Audit action plan	Office of the MM
COMMUNICATIONS, MARKETING, CUSTOMER CARE &	To promote interactive communication with customers around	To ensure that ward committees sit on a regular basis	Fully functional ward committees	Regular meetings of ward committees	Regular meetings of ward committees	Corporate Services

PUBLIC PARTICIPATION GGPP04	service delivery issues	To ensure that the communication strategy is implemented so that the public are kept informed about municipal activities and programmes	Implemented communication strategy	Implementation of the strategy	Implementation of the strategy	
		To ensure that procedures and hotlines are put in place so that customers may complain and have their complaints dealt with like the Presidential hotline and customer care line	100 % resolving of customer complaints	Monitor the resolution of customer complaints	Monitor the resolution of customer complaints	Corporate Services
		To ensure regular participation of the public and interaction with the public through the public participation plan, Imbizo's and meetings such as around table etc.	Implemented and adopted annual public participation plan	Implemented and adopted annual public participation plan	Implemented and adopted annual public participation plan	Corporate Services
MAINSTREAMING - GGPP05	To promote the mainstreaming and upliftment of HIV and AIDS, women and children, youth, people with disabilities and the elderly into municipal Socio-Economic Programmes and Projects	To ensure that the HIV & Aids strategy is implemented through HIV & Aids Council meetings and public participation	Implementation of the HIV & Aids strategy and held HIV & Aids Council meetings	Implementation of the strategy	Implementation of the strategy	Corporate Services
		To ensure that targeted groups such as the elderly, people with disabilities, youth and women are developed and included in government activities	Targeted groups holding their own forums and participating in their own activities	Annual implementation of the SPU Programme	Annual implementation of the SPU Programme	
		To increase the participation of youth in government activities through the Mayoral Cup and youth festival	Annual Mayoral cup and Youth Festival	Annual Mayoral cup and Youth Festival	Annual Mayoral cup and Youth Festival	

COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARDS AND S46 REPORT 2015/2016

This report will be attached as Appendix T.

s46 of the Municipal Systems Act, Act 32 of 2000 informs this report directly and requires that:

- The Annual Performance report forms part of the municipality' s Annual Report as per Chapter 12 of the Municipal Finance Management Act;
- The Annual Performance Report is required to reflect:
  - The performance of the municipality and all external service providers utilised within the current financial year;
  - Comparisons of all performance between the current and previous financial years (comparing targets against actual performance); and
  - Detail regarding all measures taken to improve performance.

This s46 Performance Report will detail all issues as required and based on the information accessed via municipal reports, records, statistics and the like. It will be noted that this information is provided as a draft that incorporates the previous, current and future performance management targets and performance is reflected for the previous and current years (based on information provided by management).

Note:

- Information is provided in this first draft. Information has been accepted at face value and may be required to be amended during the final draft of the Annual Report.
- Challenges were experienced with reporting information. More specifically it is noted that:
  - When considering the targets and reporting on milestones (these targets) there is often no alignment or correlation between the two. Often a specific technical and quantifiable answer is required (e.g. work performed) and the reporting states "Report". This clearly does not define anything;

- Often reporting is inadequate and not enough information is provided. If meetings were held – the dates are required and any other pertinent facts;
- By way of advice --- when setting IDP targets – ensure that these are realistic and achievable. It is hard to adjust targets after the fact and sometimes a "continuous" or long-term target will be more realistic; and
- Discrepancies are at times noted and it is not always clear which information is correct. Information must be provided accurately;
- The IDP is required to show projected reporting that spans 5 years – in this instance reporting does not cover this period – making it extremely difficult to compile the s46 report;
- Correct reporting on performance is beneficial for all other performance reporting and performance assessment (i.e. reporting at both the institutional and individual) – why not make life simpler and keep it correct so that it assists with all other reporting required.

DISCLAIMER:

The information provided within this report is reliant on the information provided by the various Directorates. Difficulties in validating data continue to be experienced. The accuracy of all information provided cannot be assured.
As this is the first draft of this report, it is understood that certain information is still lacking of the information provided, this has not yet been fully verified. The information is thus being presented with the full knowledge that certain of the detail provided might not reflect the required levels of accuracy. These will be amended in the subsequent draft in March 2017. It is further noted that every effort has been made to align reporting to the information contained within other strategic and reporting documents.

In instances where information is found to be lacking or inadequate you are hereby advised that the coordinator of this report has only been able to work with the information provided.

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART 2)

SENQU MUNICIPALITY ANNUAL REPORT 2015/2016

Chapter 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART 2)

INTRODUCTION

The organization engages in all reasonable efforts to ensure that it is able to meet the IDP objectives and day to day operational needs by ensuring that it is staffed correctly and in accordance with its functional needs. In terms of organizational support, appropriate efforts are made to ensure the presence of and monitor the use and implementation of relevant policies and procedures – ensuring compliance in respect of this and in respect of related legislative issues (Recruitment, Workplace Skills Plan, Employment Equity and the like). Careful monitoring ensures that staff recruitment, selection, appointment and retention are handled correctly and strictly in accordance with stated policy, procedures and legislation. In the interests of maintaining effective employee relations: staffing is managed effectively, labour is managed by engaging in effective employment practices, staff are trained and developed according to structured needs, optimal organizational structures are developed and job descriptions for all posts are developed in accordance with the principles of correct division of work and the manner in which performance will be monitored.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES					
Description	**Year June 2015**	**Year June 2016**			
	Employees No.	**Approved Posts No.**	**Employees No.**	**Vacancies No. (funded)**	**Vacancies %**
Municipal Manager	8	10	10	0	-
Human Resource	5	6	6	0	-
Admin & Council Support	11	14	14	0	-
Roads & Stormwater	15	18	18	0	-
Fleet	2	1	1	0	-
Housing	5	3	3	0	-
PMU	4	4	4	0	-
Governance & Compliance	3	4	4	0	-
Local Economic Development & Planning	3	6	6	0	-
Communications/ IED	5	6	6	0	-
Community & Social service	105	32	31	1	0.41%
Electricity	11	11	11	0	-
Budget & Treasury	22	4	3	1	0.41%
Information Technology	2	3	2	1	0.41%
Traffic	14	15	14	1	0.41%
Supply Chain & Expenditure	6	10	10	0	-
Revenue	11	11	11	0	-
Waste Management		72	71	1	0.41%-
Technical : Administration	0	2	2	0	
Other	7	10	10	0	-
Section 56 & MM	6	6	6	0	-
Totals	225	246	241	3	2.0%

Note: Vacancies only reflect the vacant funded positions and not all vacant positions on the organogram.

VACANCIES

Task / Job Level	June 2015		June 2016			
	Employees No	Posts	Employees	Posts	Vacancies Full time equivalent funded posts	Vacancies as % of total posts
0-2	89	107	72	72	2	0.53%
3	6	20	15	15	0	
4	3	10	3	3	0	
5	6	14	5	14	0	
6	36	80	29	80	0	0%
7	15	21	22	21	0	
8	3	13	4	13	0	
9	5	12	11	12	0	
10	11	25	15	25	0	
11	18	30	20	30	0	0%
12	10	18	8	16	1	0.26%
13	3	5	7	7	0	
14	0	1	3	3	1	0.26%
15	4	5	4	3	1	0.26%
16	4	5	5	4	0	
17	0	-	0	-	0	
18	5	5	5	5	0	
19	1	2	1	1	0	
20	0	-	0	-	0	
21	0	-	0	-	0	
22	0	-	0	-	0	
23	0	-	0	-	0	
Section 56	6	6	6	6	0	
Other			10	10		
TOTAL	**225**	**379**	**246**	**379**	**3**	**1.3%**

VACANCY RATE: YEAR AS AT JUNE 2016			
Designations	***Total Approved Posts** **No.**	***Vacancies (total time that vacancies exist using fulltime equivalents)** **No.**	***Vacancies (as a proportion of total posts in each category)** **%**
Municipal Manager	1	0	0%
Chief Financial Officer (CFO)	1	0	0%
Other s56 Managers	4	0	0%
levels 16-25 (excluding Finance posts)	9	0	0%
levels 16-25 (Finance posts only)	3	1	0.41%
levels 13-15 (excluding Finance posts)	10	0	0%
levels 13-15 (Finance posts only)	4	1	0.41%
levels 9-12 (excluding Finance posts)	33	0	0%
Levels 9-12 (Finance posts only)	21	1	0.41%
Levels 4- 8	63		
Levels 1-3	87	2	0.82%
Other (Finance Only)	10		
Total	246	241	2.05%
*Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*			

TURN-OVER RATE			
Details	**Total Appointments as of beginning of**	**Terminations during the Financial Year**	**Turn-over Rate***

	Financial Year No.	No.	
July 2015 to June 2016	225	15	6.7%
July 2014 to June 2015 (previous Financial year)	219	13	5.9%
**Divide the number of employees who have left the organization within a year, by total number of employees who occupied posts at the beginning of the year.*			

Within this area of planning and control it must be noted that within both financial years Senqu Municipality has performed exceptionally well as detailed below:

- During 2012/2013 93.05% of all funded vacant posts were filled (target of 80%);
- During 2013/2014 95.64 % (% is derived by using only funded posts and funded vacant posts (unfunded post were not considered) of these posts were filled; and
- During 2014/2015 97.82% of all funded vacant posts were filled.
- During 2015/2016 97.95% of all funded posts were filled.

Staff Establishment Figures:

2014/2015			
Total No. of posts on organogram	Filled posts	Funded & Vacant	Unfunded & Vacant
379	**225**	**5**	**149**

2015/2016			
Total No. of posts on organogram	Filled posts	Funded & Vacant	Unfunded & Vacant
379	**241**	**5**	**133**

The table below details the approved, filled and vacant funded posts within Senqu Municipality for 2015/2016:

Approved and Funded Posts in the entire Institution	Number of Employment Contracts and Performance	Filled Posts	Total Number of Vacant funded posts in the Entire	Total Number of Vacant unfunded posts in the Entire

	Agreements		Institution	Institution
246	6	241	5	133

Organization Structure

The municipality has an overall staff complement of 379 posts of which 225 post are filled 5 funded positions remain vacant. There are 153 unfunded positions. An analysis of posts during the year under review provides the following detail:

Organizational Structure (2015/2016)

DEPARTMENT / FUNCTION	POSTS FILLED	POSTS FUNDED BUT VACANT	POSTS UNFUNDED	TOTAL NUMBER OF POSTS
Council and Executive	10	0	2	12
Corporate & Support Service	26	0	13	39
Budget & Treasury Service	42	3	30	75
Community & Social Service	32	1	63	96
Technical & Engineering Service	103	1	5	109
Planning and Development	17	0	11	28
Total	***230***	***5***	***124***	***359***
Percentage (against total no. of posts)				100%

Staff appointments during this time: 241
Staff terminations: 15

Levels of education and skills (2014/2015 and 2015/2016)

Period	Total Number Of Staff	Number Of Staff Without Grade 12	Number Of Staff With Senior Certificate Only	Number Of Staff With Tertiary/Accredited Professionals Training
2014/2015	225	98	58	69
2015/2016	225	98	58	69

Comment on Vacancies and Turnover

It is must be noted that the turnover rate moved from 7.9% to 5.9%. Staff appointments moved from 219 to 225. During the year under review an additional 6 appointments were made. Although we had 15 terminations, 8 were resignations, 3 were deceased and 4 were due to retirement.

Employment Equity Statistics: Target groups employed in *the three highest levels of management* in compliance with a Municipality' s approved employment equity plan (2015/2016)

OCCUPATIONAL LEVELS	MALE				FEMALE				
	A	C	I	W	A	C	I	W	TOTAL
Legislators	18	0	0	0	16	0	0	0	34
Top Management	2	0	0	2	2	0	0	0	6
Senior Management Targets	3	1	0	1	6	1	0	1	13
Senior Management Targets Met – June 2016	5	1	0	2	*5*	1	0	4	18
Professionally Qualified and Experienced Specialists and Mid Management	8	3	0	0	10	4	0	0	25
Professionally Qualified and Experienced Specialists and Mid Management met – June 2016	16	0	0	0	17	2	0	0	35
Skilled Technical and Academically Qualified Workers	1	1	0	1	5	1	0	1	10
Skilled Technical and Academically Qualified Workers Target met – June 2016	7	0	0	1	4	0	0	0	12

Notwithstanding these successes it is acknowledged that the scarcity of skills challenges remains. There is definitely an under-representation within the category of the disabled, but it must be understood within its particular context. This situation is not for the most part directly under ones control. If candidates applying for these posts for posts do not met these criteria/are not from the designated /targeted groups within the labour market, then there is little one can do aside from marketing to these groups/producing attractive remuneration packages.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Introduction to Municipal Workforce Management

The management of the workforce is informed by the Labour Relations Act, the Basic Conditions of Employment Act, the Employment Equity Act, the MFMA; the internal Disciplinary Policy and Procedures, the Performance Management Policy and many

related policies, procedures and legislation. In order to ensure that these are implemented correctly and to ensure that management and staff have the required level of commitment, stakeholders are involved in the compilation of these policies and are trained so that they can be effectively applied. Upon joining the organization all staff, management and Councillors receive a Code of Conduct and undergo suitable induction training (both on and off the job --- i.e. as a general induction). Policies and procedures are reviewed annually in order to ensure that they are managed and remain applicable to the current context at all times.

In this regard the intention is to create a personnel administration that is administered in a manner considered to be fair, efficient, effective and transparent. Managers in turn are required to manage and support staff in an appropriate manner and according to prescripts. In this manner a supportive management and administrative structure is created in order to support successful outcomes.

4.2 POLICIES

The following HR Plans have been developed and/or reviewed:

HR POLICIES AND PLANS				
	Name of Policy	**Completed %**	**Reviewed %**	**Date adopted by Council or comment on failure to adopt**
1	Essential User Car Scheme	100	New policy	29 September 2014
2	Scarce skills remuneration policy	100	100	6 June 2016
3	Housing subsidy Policy	100	New Policy	6 June 2016
4	Cellphone & 3G	100	100	6 June 2016
5	Bursary	100	100	28 March 2015
6	Training & Development	100	100	6 June 2016
7	Employee Assistance / Wellness		100	28 March 2015
8	Affirmative Action and Employment Equity		100	28 March 2015
9	Attraction and retention		100	28 March 2015
10	Training and development	100	100	28 March 2015
11	HIV/AIDS		Due for Re-view	November 2005

12	Career Development & Succession Planning	100	100	28 March 2015
13	Promotion, demotion & Transfers	100	100	28 March 2015
14	Leave	100	100	28 March 2015
15	Occupational Health & Safety	100	100	28 March 2015
16	Official Housing	100	100	27 March 2015
17	Subsistence & Travelling	100	Under review	28 March 2015
18	Telephone	100		27 March 2013
19	Recruitment, Selection & Appointments	100		27 March 2013
20	Remuneration Policy	100	100	6 June 2016
21	Relocation	100	100	6 June 2016
22	Perks Scheme	100	100	31 March 2015
23	Termination of employment	100	100	6 June 2016
24	Sexual Harassment	100	Under review	29 September 2015
25	Bereavement Policy	100		28 March 2015

The following Organization –wide Policies and Plans have been developed and/or reviewed:

POLICIES (ORGANIZATION WIDE)				
Newly Developed	**Revised**	**Consultation Top Management LLF (through circular for comment or at LLF meetings**	**Dates Ratified by Council By**	**Policies Implemented (Yes or No)**
	Central Register Manual		27 March 2013	Yes
	Records Management Policy		27 March 2013	Yes
	Access to Information Manual		27 March 2013	Yes
	Customer Care Policy		11 December 2012	Yes
	Borrowing Funding & Reserve		Reviewed May 2015	Yes
	Supply Chain Management		Reviewed May 2015	Yes
	Debt Collection and Credit Control		Reviewed May 2015	Yes
	Cash Management Banking and Investment Policy		Reviewed May 2015	Yes
	Asset Management & Insurance Policy		Reviewed May 2015	Yes
	Rates		Reviewed May 2015	Yes
	Information System Security/ IT Policy		20 March 2012	Yes
	Tariff Policy		Reviewed May 2015	Yes
	Free Basic and Indigent Policy		Reviewed May	Yes

			2015	
	Credit Card Policy			Yes
	Disaster Recovery Plan		20 March 2012	Yes
	Tariff and Service Policy		Reviewed May 2015	Yes
	IS Security Policy same as IT policy		20 March 2012	Yes
	Performance Management & Development			

Comment on Workforce Policy Development Progress and Plans

Policy development occurred as follows:

- **Technical Services**:
  - The Technical Services division has a number of standard operating procedures in place and under these circumstances review is not always required (although updates will always be on the cards with any operational changes);
  - The Town Planning & Building Control Policy is currently in place; and
  - Roads & Electricity are covered within the bylaws.

- **Budget & Treasury:**

  The following policies have been reviewed:
  - Borrowing, Funding and Reserve Policy
  - SCM Policy
  - Debt Collection & Credit Control
  - Cash Management Banking & Investment Policy
  - Tariff Policy
  - Free Basic & Indigent Policy
  - Property Rates and Valuations
  - Asset management and insurance policy; and
  - Credit Control Policy.

- **Corporate Services Directorate:**

  The following policies have been reviewed:

  - Bursary
  - Cellphone and 3G
  - Training & Development
  - Employee Assistance/Wellness
  - Affirmative Action and Employment Equity
  - Attraction and retention
  - Training and development

- HIV/AIDS
- Career Development & Succession Planning
- Promotion, demotion & Transfers
- Leave
- Occupational Health & Safety
- Official Housing
- Subsistence & Travelling
- Recruitment, Selection & Appointments
- Telephone
- Remuneration Policy
- Relocation
- Perks
- Termination of Employment
- Bereavement

- **Office of the Municipal Manager**
  - An Internal Audit Charter was adopted on 28 January 2014
- **Organization Wide Policies as specified (Refer to table above**)

NOTE: Within all of these instances extensive consultation processes were undertaken & reviewed policies were presented to top management and LLF and workshops were conducted with staff & councilors.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

The tables below reflect the statistics for the previous financial year i.e. 2014/2015 and the present i.e. 2015/2016.

NUMBER OF DAYS AND COSTS OF SICK LEAVE (EXCLUDING IOD) 2014/2015						
Salary Band	**Total Sick Leave Days**	**Proportion of sick leave without medical**	**Number Employees using sick leave**	**Total number of employees in post**	**Average sick leave per employee Days**	**Estimated cost R '000**

		certificate %				
Levels 1-3	574		47	88		192 342.37
levels 4-8	438		49	70		908 051.82
Levels 9-12	429		43	48		422 740.68
Levels 13-15	129		10	13		127 143.23
Levels 16 - 25	118		10	11		24 780.68
MM and s56	31		6	6		93 401.61

NUMBER OF DAYS AND COSTS OF SICK LEAVE (EXCLUDING IOD) 2015/2016						
Salary Band	**Total Sick Leave Days**	**Proportion of sick leave without medical certificate %**	**Number Employees using sick leave**	**Total number of employees in post**	**Average sick leave per employee Days**	**Estimated cost R '000**
Levels 1-3	574		47	88		192 342.37
levels 4-8	438		49	70		908 051.82
Levels 9-12	429		43	48		422 740.68
Levels 13-15	129		10	13		127 143.23
Levels 16 – 25	118		10	11		247 380.68
MM and s56	31		6	6		93 401.61

Comment on Injury and Sick Leave

Sick leave statistics show that sick leave has risen slightly and is consistently slightly higher than last year in the levels 1 – 12. Sick days range from 8 to 13 days per person throughout the organization. While this does not appear excessive it does need to be monitored closely and emerging patterns handled appropriately.

When sick leave is taken the Leave Policy must be strictly applied and Sick Leave must be claimed prior or after the illness (depending on its nature). As per the prescriptions of policy a doctor' s certificate is not required for a period less than 3 days unless there is a history of sick leave having been taken twice in a continuous 8 week period. If this is the case a certificate is required. A certificate is also required if a pattern begins to emerge and management may request this should this become evident. For any period greater than 2 consecutive days, a sick leave certificate is required.

IOD' s are required to be reported and managed strictly in accordance with the Occupational Health and Safety Policy in which the procedure is clearly stated. In instances where injuries / sick leave extend for long periods or are questioned, the

organization reserves the right to have the injury/aspect of sick leave examined by a doctor of choice.

NOTE: If it becomes apparent that an employee is likely to be off for an extended period or medically boarded, the Pension Fund is required to be notified within 6 months of this "potential disability". Failure to do so could result in non-approval of future disability claims and liability from the municipality. It is suggested that notification conservatively begin at 3 months.

Suspensions and Cases of Financial Misconduct:

NUMBER AND PERIOD OF SUSPENSIONS 2014/2015				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized**	**Date Finalized**
SPU Officer	Fraud (amount of R23 000	26 June 2015	The employee was dismissed after an appeal hearing suspension was implemented.	26 June 2015

Position	**Nature of Alleged Misconduct and Rand Value of any loss to the municipality**	**Disciplinary Action taken**	**Date Finalized**
Manager PMU	Gross Negligence which led to irregular expenditure of R529 195.10	Final written warning	29 September 2015

4. 4 PERFORMANCE REPORTING AND REWARDS

The Performance Management System and Framework was initially adopted and applied from 11 March 2011. This system is closely aligned to the Municipal Planning and Performance Management Regulations of 2001 and 2006. The policy was most recently reviewed 30 June 2015.

In terms of the Systems Act it was understood and accepted that municipalities were required to develop and utilize systems that were best suited to their environment, circumstances and available resources. With this in mind, Senqu Municipality adopted a Performance Management System that was best suited to its

circumstances, while ensuring alignment with the Municipal Planning and Performance Management Regulations of 2001 and 2006.

"Performance management" does not occur in isolation and is required to be understood as part of an "integrated approach". Performance is there for required to be understood from both an employee's perspective and also from the institution's perspective. The organisation's performance is directly dependent on the performance of each and every individual who works there. To fully understand "performance", performance assessment is required to take place on both levels. Every effort is required to ensure that all prescriptions of the Performance Management Policy and related procedure are adhered to. There is interdependency between the individual and institutional performance management functions and desired outcomes. Failure on either side to ensure that appropriate action is taken and desired outcomes are achieved will be detrimental to the organisation.

The Service Delivery and Budget Implementation Plan was developed and aligned to both the IDP and the Budget. Stated targets were translated into the performance targets of the s56 managers, whose targets will ultimately be translated further throughout the organisation. In this manner the achievement of the IDP objectives was made possible. In terms of compliance, the predetermined objectives were included and reported on. Emphasis as always remained with the service delivery priorities – ensuring that these were adequately addressed.

The policy frameworks was reviewed in 2014 however it is required that this policy be reviewed, updated and amended regularly in order to ensure that it remains current and issues of consistency apply and that effective systems and controls for monitoring, evaluation and review of performance is adhered to in terms of legislative prescripts and principles of best practice.

In an effort to address the issues highlighted changes have been made to the original policy and these are presented in the reviewed policy attached.

The highlighted changes are:

- more extensive discussion around the components of the system and framework - pertinent legislation (detailing how this specifically applies; and goes as far as to detail the templates that are utilized;
- The role of the audit committee role and internal auditor - in terms of Auditing required for all performance related reporting in respect of ensuring that all prescriptions of the Performance Management Framework and Policy are correctly and accurately applied; and addresses issues (which have been experienced in terms of auditing in respect of the framework and system and practical ways to resolve/prevent standard issues.
- Consistent quarterly auditing, provision of support and the use of consistent terminology to create less confusion
- Consistency in reporting (S56 and other Managers) on targets and issue relating to terminology and (for audit purposes)
- Oversight provided by all relevant parties;
- Proposes changes to the current legend utilized on the Institutional scorecard / SDBIP and individual PMS scorecards) The policy addresses in depth the issue relating to achieving a target with a variance
- It includes detail regarding the pre-determined targets that must be included in all reporting templates (as prescribed);
- Roles and responsibilities of all stakeholders are clearly defined;
- The manner in which community participation is to be obtained is specified;
- The manner in which Service Provider Performance Reporting is to occur; including the design of reporting templates;

- The manager in which interns performance must be management and monitored ; including the design of reporting templates;
- Specific roles and functions relating to auditing and verification are detailed;
- Overall there is greater accountability for results that is ensured through strong reporting and monitoring mechanisms;
- The Dispute resolution mechanism has been accommodated more thoroughly;
- Rating calculators and applicable bonus structures relating to Middle Management and other staff below Middle Management have been included to accommodate the phasing in of performance management; and
- The manner in which Interns must be developed in terms of Performance; inclusive of a rating calculator and design of reporting templates; (aligned to National Treasury requirements)

Noted - Performance Management is now been rolled out to the level of middle management. The reviewed Performance Management Policy will take into account proposed changes to phase in roll out of implementation to lower levels (below Middle Management. This will be considered by Management and LLF in the new financial year. The Performance Management System and Framework was initially adopted and applied from 11 March 2011. This system is closely aligned to the Municipal Planning and Performance Management Regulations of 2001 and 2006. The policy was most recently reviewed 30 June 2015.

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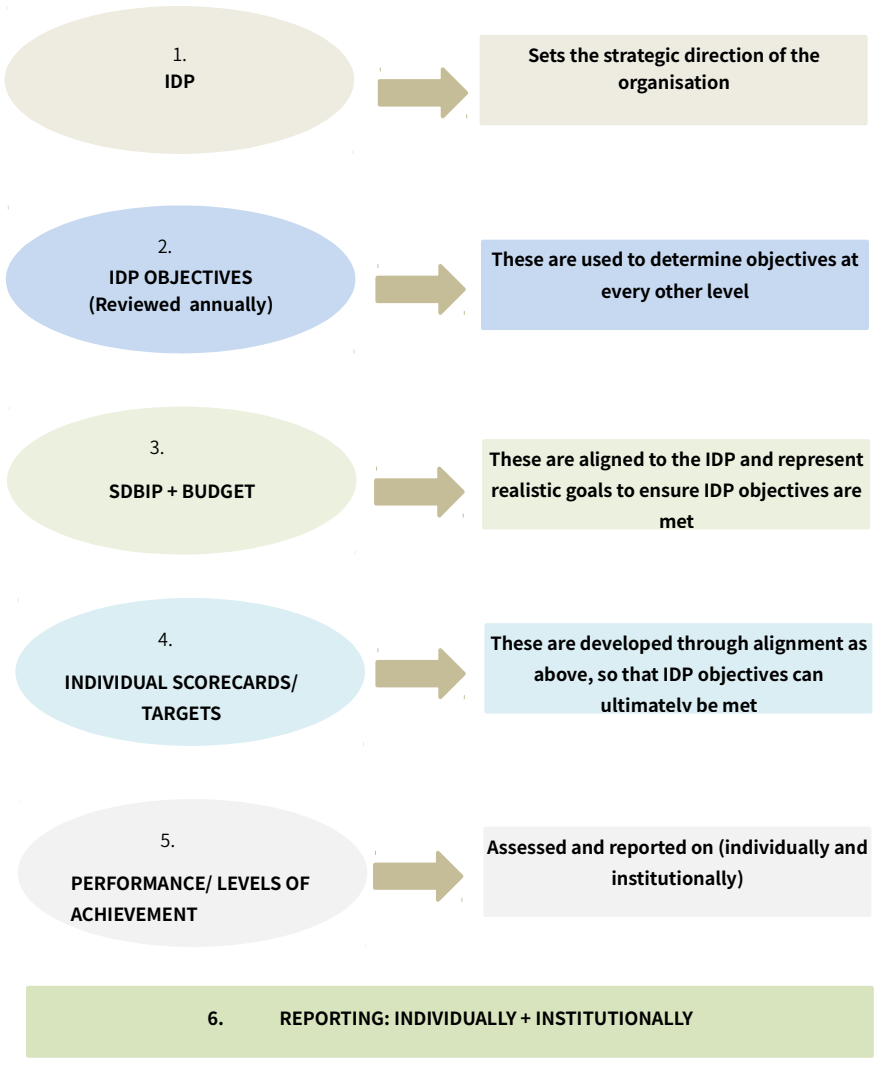
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Noted - Performance Management is now been rolled out to the level of middle management. The reviewed Performance Management Policy will take into account proposed changes to phase in roll out of implementation to lower levels (below middle Management. This will be considered by Management and LLF in the new financial year


1.
IDP
Sets the strategic direction of the organisation
2.
IDP OBJECTIVES
(Reviewed annually)
These are used to determine objectives at every other level
3.
SDBIP + BUDGET
These are aligned to the IDP and represent realistic goals to ensure IDP objectives are met
4.
INDIVIDUAL SCORECARDS/ TARGETS
These are developed through alignment as above, so that IDP objectives can ultimately be met
5.
PERFORMANCE/ LEVELS OF ACHIEVEMENT
Assessed and reported on (individually and institutionally)
6. REPORTING: INDIVIDUALLY + INSTITUTIONALLY

As reflected within this diagram:

1. The IDP sets the strategic direction of the organisation (based on community inputs) and this will impact on the development of performance goals and the operational direction of the organisation;

2. Although the IDP is a 5 year strategic plan, this plan is reviewed annually and adjusted to suit current resources and needs (human , operational and financial resources);

3. The SDBIP is developed while being aligned to the IDP and available budget. In this manner performance targets are set realistically while taking the current context and resources into account;

4. The performance targets reflected in the SDBIP are translated into performance targets for senior managers, managers reporting to them and cascaded to every level below. In this manner and through ultimate alignment with the IDP, each individual will be required to contribute towards the achievement of required performance targets. Currently the system only takes performance management in terms of policy to the level below management i.e.. to the middle managers;

5. Performance is assessed (institutionally and at the individual level). This is defined by policy prescriptions and will ensure that appropriate efforts are made to achieve desired outcomes; and

6. Reporting is prescribed at both the individual and the institutional levels and this is required to occur in the manner prescribed by policy.

In keeping with the systems approach, all results are assessed / analysed and feedback and assessment of this nature will feed back into the system – ensuring that all required issues are addressed/modified in the new financial year.

INDIVIDUAL EMPLOYEE PERFORMANCE ASSESSMENT AND MANAGEMENT

- The Performance Cycle runs annually from 1 July to 30 June;

- Annually, the strategic objectives are translated into the organisational scorecard, which in turn cascades into the performance scorecard of the s56 Managers and then the managers reporting to them (as per current status of applicability);
- Annually, performance agreements and scorecards are reviewed, updated and signed;
- During discussions between the manager and his/her subordinate at the start of the new financial year, both parties determine training and development needs and these are documented within the relevant Personal Development Plan (PDP). This PDP then feeds into the establishment of the Workplace Skills Plan and ultimately ensures that all parties are trained and capacitated to perform their functions effectively;
- Regular performance related discussions are held between the manager and the subordinate in an effort to ensure that performance meets required targets;
- Formal discussions and assessment take place – although it must be understood that additional discussions are encouraged, in order to ensure that all parties meet regularly and resolve any performance issues that may come to the fore.

Formal discussions occur as follows:

ACTIVITY	APPLICABLE TIMEFRAMES
Coaching	July – September
1st Formal Assessment	October – December
Coaching	January – March
Final Formal Assessment (Annual Panel Assessment)	April – June (this assessment only occurs after approval of Annual Report i.e. after the AFS and the Annual Report are audited).

As per the table above:

Coaching

– this occurs during Quarter 1 and Quarter 3; and
– The immediate manager/supervisor and subordinate meet to discuss progress and ways to improve performance /meet targets and the like.

First Formal Assessment

- This occurs in Quarter 2; and
- The immediate manager/supervisor and subordinate discuss the manager's/supervisor's ratings and how to deal with issues/where performance targets are not met. Action Plans are developed to resolve issues raised.

Final Panel Assessment

- A formal panel is appointed. This may only sit after approval of the Annual Report (i.e. following the auditing of all performance and related information);
- The panel is appointed according to the prescriptions of the Regulations; and
- Employees may receive performance bonuses should they meet required criteria for achieving a bonus award. Terms and conditions of applicable framework and policy will apply.

Note: all claims of performance must be validated /proven. For this reason each applicable staff member is required to develop and maintain a portfolio of evidence, where proof surrounding all claims of performance are documented i.e. validated. Lack of evidence translates to a "zero" achievement and the lowest score i.e.. a "1".

Rating and Performance Assessment

When conducting assessments (second quarter) and the final assessment (after approval of the AR and auditing of the AFS) the following issues are to be noted:

- **During the second quarter**: performance is assessed and rated by both the supervisor/manger and subordinate. Effort is made to reach agreement.
- **During the final assessment**, assessments are conducted by a panel (prescribed in composition by the Performance Management Regulations and Performance Management policy ;
- The panel process operates as follows:
  - Each manager/individual being assessed rates own performance and presents performance information to the panel (supported by portfolio of evidence

information). An explanation of how targets were met/why they could not be met is discussed.

- Each panellist rates each indicator according to the rating calculator detailed below.

  At this point no ratings are totalled. **Each indicator is rated and evaluated separately**. The following rating calculator is used:

LEVEL	TERMINOLOGY	DESCRIPTION
5	**OUTSTANDING PERFORMANCE**	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the employee has achieved above the fully effective results against all performance criteria and indicators as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	**PERFORMANCE SIGNIFICANTLY ABOVE EXPECTATIONS**	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	**FULLY EFFECTIVE**	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	**PERFORMANCE NOT FULLY EFFECTIVE**	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	**UNACCEPTABLE PERFORMANCE**	Performance does not meet the standard expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage

LEVE	TERMINOLOG	DESCRIPTION
		improvement.

NOTE: Performance auditing may sometimes prove challenging in that it is most common to adopt a "black or white" type analysis (which is relevant in many instances). "Performance" and the manner in which "performance is assessed" can be challenging all on its own. In this regard there is a need for "grey" on occasion and indeed both the Performance Regulations and the PMS Policy make provision to entertain and to assess a situation based on the "grey" i.e. making allowances for extenuating circumstances/circumstances beyond ones control.

Under these "grey" circumstances it would be possible for an employee to score favourably notwithstanding the fact that a target was not met in the strictest sense. As an example: If the target could not be met due to an external factor beyond ones control, the question would be – what did the employee do to make the best of this situation/how did they turn it around/did something else positive come about as a result? In this instance the focus changes from **what they could not achieve** (through no fault of his/her own), to **what he/she did achieve notwithstanding** and/or what efforts/innovative action was taken (successful or not)?

When rating performance according to the currently approved PMS Policy, the table below (as per the policy and the regulations) illustrates the "grey factors" that are considered and which will have impact (**and which must be considered** in terms of this policy and the Regulations – **in order to ensure compliance**). In particular, "innovation" and "complexity" are noted. In other words, even when circumstances prevent a target from being achieved 100%, consideration and recognition is required to be made when the incumbent shows that they have used their initiative/innovation to achieve positive outcomes nonetheless. On this basis they then meet the target in "other ways" **– justifiable of course**. This must be considered and evaluated as a matter of compliance.

Factors to be considered when "Rating" and deciding the rating (Rating Scale)

Duration of task	- Was the target achieved within the projected time frame?

Level of complexity	- Required problem solving - Reconciling different perceptions - Innovative /creative alternatives used
Cost	- Within budget - Saving - Overspending
Constraints	- Did envisaged constraints materialise? - If so, were steps taken to manage/reduce the effect of the constraint? - If not, did it beneficially affect the completion of the target? - Any innovative/pro-active steps to manage the constraint

- Each and every panellist rates each and every target/indicator on each individuals scorecard;
- The PMS/HR facilitator develops a consolidated scorecard in which these ratings are translated into consolidated scores for each individual being assessed; and
- Depending on the final score (out of 200), the individual may qualify to receive a performance bonus (refer to sliding scale detailed previously).

Employee Performance during 2015/2016:

- No final assessment is conducted until the annual report is finally approved i.e. after data contained within the Annual Report has been audited and verified. By doing so the credibility is maintained and data is verified. **In keeping with this, 2015/2016 Performance Rewards will only be paid out during the next financial year 2016/2017.**

- Scorecards were developed for 2015/2016
- 6 performance scorecards and agreements were signed by the Municipal Manager, Mayor and all the directors. These were submitted to Local Government
- Performance Agreements were uploaded onto the municipal website ;
- Reviews are conducted quarterly - Quarter 1 and Quarter 2: assessments and reviews are in progress and will be completed by 31 January 2017 ;
- The Middle Management scorecards are developed and completed

- Each individual has a scorecard which is made up of indicators/performance targets for both Key Performance Areas (KPA's) and Core Management Competencies (CMC's) in the ratio of 80:20 i.e. 80 scores represent the total for KPA's and 20 scores represent the total for CMC's;
- The entire scorecard for each individual inclusive of CMC's has a total of 100 points each . The final score achieved therefor translates into the actual score total out of 200 points. (as it is required to be translated into the bonus score sliding scale). In terms of the Performance Management System applicable (aligned to the Performance Management Regulations) a bonus award is applicable based on a score out of 200 and the sliding scale of 5-14% bonus award (s56).

- Based on the sliding scale the following awards are possible

- **Applicable to S56 staff**

PERFORMANCE SCORE	PERFORMANCE BONUS
150% +	10% – 14%
130% to 149%	5% – 9%

- By way of example:
  - A score of 130 – 133.99 receives a bonus of 5%
  - A score of 134-137.99 receives a bonus of 6%
  - A score of 1.66 and above would receive a full bonus of 14% (of the fully inclusive remuneration package).

  More specifically, the following sliding bonus scale applies:

TABLE: Sliding Bonus Scale

S56 STAFF	
PERFORMANCE SCORE	**% BONUS**
130	5
134	6
138	7
142	8
146	9
150	10
154	11
158	12
162	13
166+	14

Based on the sliding scale the following awards are possible

Applicable to Middle Managers (staff below s56)

Score / 200	**% Bonus of Middle Manager's Basic Salary**
130-133	10 % Middle Manager's Basic Salary
134-137	20% Middle Manager's Basic Salary

138-141	30% Middle Manager’ s Basic Salary
142-145	40% Middle Manager’ s Basic Salary
146-149	50% Middle Manager’ s Basic Salary
150-153	60% Middle Manager’ s Basic Salary
154-157	705 Middle Manager’ s Basic Salary
158-161	80% Middle Manager’ s Basic Salary
162-165	90% Middle Manager’ s Basic Salary
166	100% Middle Manager’ s Basic Salary

Middle Managers on contract earning full inclusive packages receive performance bonuses based on the basic portion of the Task salary and norch associated to the post they occupy.

NOTE: It is a misconception that should the Municipality receive a qualified audit report, that no bonus would be paid. It must be understood that each individual is evaluated according to his/her own performance targets and the achievement of these or not.

All performance results are required to be validated and this is achieved through the relevant portfolios of evidence and the process of audit. A performance Audit Committee sits expressly for this purpose.

INSTITUTIONAL PERFORMANCE MANAGEMENT

The following institutional reporting provides the required information that leads to appropriate action:

ASSESSMENT REPORT	TIMEFRAME	SUBMITTED TO	REQUIRED BY
SDBIP' s	Quarterly	Exco	MFMA, Circular 13
Budget Statements	Monthly	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Organizational Scorecard	Quarterly	Exco	PMS Framework
SDBIP Mid-year budget & Performance Assessment	Annually during January each year	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Performance Report	Annually	Council	S46 of MSA as amended. Incorporated into Annual Report
Annual Report	Annually	Council	Circular 63 and Chapter 12

			of the MFMA

Institutional PMS Progress

Performance reporting is completed in terms of compliance:

- The draft SDBIP (aligned to the IDP) was developed and tabled to the Mayor 14 days after the budget was tabled;
- The Mayor approved the SDBIP within 28 days of the adoption of the budget;
- The SDBIP for 2015/2016 was submitted to the Mayor by the Municipal Manager and sent to Council for notification on 26 June 2015.
- Quarterly SDBIP reports were developed and submitted;
- As required the s72, s46 and Annual Report for these periods were submitted timeously with all having been audited as required (with good alignment);
- The IDP was reviewed timeously and the objectives for both periods were accommodated within the SDBIP and scorecards;
- MPAC and Audit Committee meetings were held as required. (to provide required oversight) took place as prescribed;
- The Annual Performance Report (s46) 2015/2016 was submitted to the AG, 31st on 29 August 2015;
- The Mid-Year performance report for the previous financial year 2014/2015 was completed and tabled at Council meeting of 30 January 2015. This was approved; and
- The Mid-Year performance report for 2015/2016 financial year 2014/2015 will be tabled by 31 January 2017

NOTE: Verification of all data reported on occurs through the various auditing processes conducted. No assessment of individuals takes place until the Annual Report has been finally approved i.e. after all data within this report has been audited and verified. In so doing it must be noted that the credibility is maintained and data verified as required.

Comments on Performance Rewards

Although the Annual Cycle runs from 1 July – 30 June annually, the final formal assessment only occurs after the final approval of the Annual Report and the auditing of the Annual Financial Statements. After auditing these represent verified documents – all detail provided within these documents being recognized as being credible (having been assessed).

In terms of the PMS Policy, a deserving and qualifying employee may receive a performance bonus, providing the terms and conditions of policy are met. Following the outcomes of the ratings and consolidated scores (from the assessment panel) the final score will be considered against the sliding scale relating to performance bonuses.

Management of Poor Performance

Poor performance is required to be managed on-the-job through performance /behavioural assessment and coaching. Performance/behavioural issues will be handled according to the terms /conditions of any fixed term contract of employment and/or in terms of the applicable Disciplinary and Procedure Code.

Final Reporting: Employee Performance

Final reporting in terms of performance assessments of s56 managers and others takes place through formal record and is contained with the Performance report that is submitted to Council.

In the case of the Municipal Manager, these results are submitted to the MEC for Eastern Cape Local Government and the National Minister for Local Government.

NOTE: Final Performance Assessments are only concluded after the Annual Report has been audited and finally approved. At this point, all statistics and performance claims on which assessments will be based will have been verified.

The table below reflects the final outcomes of the performance assessed and details statistics regarding those that received an award (detailed by Gender). This can only be completed following the assessment for this period and this in turn can only be conducted following the final draft and approval of the Annual Report.

PERFORMANCE REWARDS BY GENDER (2013/2014)					
Designations	**Beneficiary Profile (s56 Managers)**				
	Gender	**Total number of employees in group**	**Number of beneficiaries**	**Expenditure on rewards Year 1 R*000**	**Proportion of beneficiaries within group %**
MM & s56 managers	Female	2	2	R397842.00	100%
	Male	4	4	R920024.00	100%
Total		**6**	**6**	**R1 317866.00**	**100%**
Has the statutory municipal calculator been used as pert of the evaluation process?					Yes

Note: MSA 2000 S51(d) requires that.....' performacne plans, on which rewards are based should be aligned with the IDP" .... (IDP objectives and targets are set out in Chapter 3) and theat Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) shoud be consisentent with the hgiehr level IDP targets and must be incorpaorated appropariately in personal perfomance agreemetns as the basis of performacne rewards. Those with disability are shown in brackets '(x)' in the 'Number on beneficiaries' column as well as inthe numbers ast the right hand side of the column (as illustrated above).

No final assessment is conducted until the annual report is finally approved i.e. after data contained within the Annual Report has been audited and verified. By doing so the credibility is maintained and data is verified. In keeping with this, 2015/2016 Performance Rewards will only be paid out during the next financial year.

INSTITUTIONAL PERFORMANCE MANAGEMENT

The following institutional reporting provides the required information that leads to appropriate action:

ASSESSMENT REPORT	TIMEFRAME	SUBMITTED TO	REQUIRED BY
SDBIP' s	Quarterly	Exco	MFMA, Circular 13
Budget Statements	Monthly	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Organizational Scorecard	Quarterly	Exco	PMS Framework
SDBIP Mid-year budget & Performance Assessment	Annually during January each year	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Performance Report	Annually	Council	S46 of MSA as amended. Incorporated into Annual Report

Annual Report	Annually	Council	Circular 63 and Chapter 12 of the MFMA

Institutional PMS Progress (2013/2014 and 2014/2015 as a comparison)

During both of these periods it is noted that the required action was taken and reporting was completed in terms of compliance:

- The draft SDBIP (aligned to the IDP) was developed and tabled to the Mayor 14 days after the budget was tabled;
- The Mayor approved the SDBIP within 28 days of the adoption of the budget;
- Quarterly SDBIP reports were developed and submitted;
- As required the s72, s46 and Annual Report for these periods were submitted timeously with all having been audited as required (with good alignment);
- The IDP was reviewed timeously and the objectives for both periods were accommodated within the SDBIP and scorecards;
- During 2013/2014 it must be noted that the MPAC and Audit Committee meetings were not held as frequently as required. During 2014/2015 these meetings (to provide required oversight) took place as prescribed;
- The Annual Performance Report 2013/2014 was submitted to the AG, inclusive of the annual report on 29 August 2014;
- The Mid-Year performance report 2014/2015 was completed and tabled at Council meeting of 30 January 2015. This was approved; and
- The SDBIP for 2015/2016 was submitted to the Mayor by the Municipal Manager and sent to Council for notification on 26 June 2015.

NOTE: Verification of all data reported on occurs through the various auditing processes conducted. No assessment of individuals takes place until the Annual Report has been finally approved i.e. after all data within this report has been audited and verified. In so doing it must be noted that the credibility is maintained and data verified as required.

Comments on Performance Rewards

Although the Annual Cycle runs from 1 July – 30 June annually, the final formal assessment only occurs after the final approval of the Annual Report and the auditing of the Annual Financial Statements. After auditing these represent verified documents – all detail provided within these documents being recognized as being credible (having been assessed).

In terms of the PMS Policy, a deserving and qualifying employee may receive a performance bonus, providing the terms and conditions of policy are met. Following the outcomes of the ratings and consolidated scores (from the assessment panel) the final score will be considered against the sliding scale relating to performance bonuses.

Management of Poor Performance

Poor performance is required to be managed on-the-job through performance /behavioural assessment and coaching. Performance/behavioural issues will be handled according to the terms /conditions of any fixed term contract of employment and/or in terms of the applicable Disciplinary and Procedure Code.

Final Reporting: Employee Performance

Final reporting in terms of performance assessments of s56 managers and others takes place through formal record and is contained with the Performance report that is submitted to Council.

In the case of the Municipal Manager, these results are submitted to the MEC for Eastern Cape Local Government and the National Minister for Local Government.

NOTE: Final Performance Assessments are only concluded after the Annual Report has been audited and finally approved. At this point, all statistics and performance claims on which assessments will be based will have been verified.

The table below reflects the final outcomes of the performance assessed and details statistics regarding those that received an award (detailed by Gender). This can only

be completed following the assessment for this period and this in turn can only be conducted following the final draft and approval of the Annual Report.

PERFORMANCE REWARDS BY GENDER (2014/2015)					
Designations	**Beneficiary Profile (s56 Managers)**				
	Gender	**Total number of employees in group**	**Number of beneficiaries**	**Expenditure on rewards Year 1 R*000**	**Proportion of beneficiaries within group %**
MM & s56 managers	Female	2	2	R372 545.38	100%
	Male	4	4	R898 219.43	100%
Total		**6**	**6**	**R1 270 764.81**	**100%**
Has the statutory municipal calculator been used as pert of the evaluation process?					Yes
Note: MSA 2000 S51(d) requires that.....' performacne plans, on which rewards are based should be aligned with the IDP" .... (IDP objectives and targets are set out in Chapter 3) and theat Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) shoud be consisentent with the hgiehr level IDP targets and must be incorpaorated appropariately in personal perfomance agreemetns as the basis of performacne rewards. Those with disability are shown in brackets '(x)' in the 'Number on beneficiaries' column as well as inthe numbers ast the right hand side of the column (as illustrated above).					

No final assessment is conducted until the annual report is finally approved i.e. after data contained within the Annual Report has been audited and verified. By doing so the credibility is maintained and data is verified. In keeping with this, 2015/2016 Performance Rewards will only be paid out during the next financial year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Introduction to Workforce Capacity Development

Senqu Municipality has always placed strong emphasis on the development of a well capacitated workforce – extending to the capacitation of all Councillors, management and staff. Senqu Municipality has demonstrated both in the current and preceding years the extent of its commitment to fulfilling all planned training as reflected within the Workplace Skills Plan (WSP). This was based on aspects relating to the results of a skills audit, requirements in terms of the IDP objectives and determining the gaps and the developmental needs of Councillors, management and employees.

Reports on the implementation of the WSP are compiled and submitted to the LGSETA quarterly. The WSP was compiled for the 2015-2016 period and was adopted by Council (having been ratified by SAMWU and IMATU). The SDF was appointed, the WSP developed, approved and successfully implemented.

Notwithstanding the successful development of the WSP and its implementation, one has to acknowledge the very real limitations in respect of financial resources. Accordingly, notwithstanding the fact that training and development takes place, it must be acknowledged that this will never be considered to be sufficient in terms of current need.

The training function is centralised and all related expenditure is authorised by the Director of Corporate Services.

4.5 SKILLS DEVELOPMENT AND TRAINING

Comment on Skills Development Expenditure 2015/2016

- The institutional training budget: R 1 577 500.00
- Actual expenditure: R 773 565.29 **(Including Bursaries for unemployed)**
- Variance: R803 934.71

Expenditure per Department 2015/2016

Municipal Manager' s Department

Budgeted amount: R 234 000.00
Amount spent: R209 642.41
Variance: R24 357.59

All the required training programmes were implemented in the Municipal Manager's office.

Internal Auditing Section
Budgeted amount: R60 000.00
Spent: R15 287.60
Variance: R44 712.40

Corporate Services Department
Budgeted amount: R194 500. 00
Amount spent: R178 326.12
Variance: R16 173.88

Legislators
Budgeted amount: R435 000.00
Amount spent: R133 912.40
Variance: R301 087.60

Planning and Development Department
Budgeted amount: R309 000.00
Amount spent: R126 727.59
Variance: -R182 272.41

Finance Department
Budgeted amount: R122 500.00
Spent: R52 818.01
Variance: R69 681.99

Traffic Section
Budgeted amount: R60 000
Spent: R16 762.02
Variance: R43 237.98

Community Services Department
Budgeted amount: R 144 000.00
Spent: R130 063.27
Variance: R13 936.73

Technical Services Department

Budgeted amount: R155 000.00
Spent: R39 273.47
Variance: R115 726.531

Areas of training priority (as reflected in the IDP) for 2015/2016 are reflected as follows:

- Business English
- Executive leadership and Development Management
- Integrated development Plan (IDP)
- Contract Management
- Electronic Document Management System
- Roads Construction and Maintenance
- Government Media and Communications
- Bachelor in Information Science
- Performance Management
- POPI Act
- E-Natis Supervisory Management Skills
- Contract Law Management
- Excavator Operator Machinery
- Tipper Truck Machinery Course
- TLB Machinery Course
- Basic Computer Course
- Advanced Computer Course

- Basic and Intermediate Excel
- Advance Excel
- CPMD
- ND: in Auditing
- Workplace Skills Planning
- Stores Management Skills
- Technical Report Writing Skills
- Effective Report Writing Skills
- Councillor Development
- CIDB Workshop
- Facilitation Management Skills
- Basic Archives and Records Management
- Intermediate Archives and Records Management
- Personal Assistant Management
- Transport and Fleet Management
- Supply Chain Management
- Debt Recovery Management
- Asset Management
- Leave and Payroll Management
- Building Construction Standards
- Minute Taking Skills
- Bachelor in Business Administration

- B.Tech in Project Management
- High/Medium Voltage Electricity
- Media Capacity
- N6 Human Resources Management
- ND: Tourism
- N6 in Financial Management
- ND: Civil Engineering
- ND: Information Technology
- N6 Business Management
- Local Government Support Services
- N4 Electrical Engineering

SKILLS DEVELOPMENT AND TRAINING

2015/2016

SKILLS MATRIX 2015/2016														
Management Level	**Gender**	**Employee in post as at 30 June 2016**	**Learnerships**			**Skills Programme and other Short Courses**			**Other Forms of Training**			**Total**		
		No.	**Actual End of Year June 2016**	**Actual End of June 2015**	**Year 2015/2016 Target**	**Actual End of Year June 2016**	**Actual End of June 2015**	**Year 2015/16 Target**	**Actual End of Year June 2016**	**Actual End of June 2015**	**Year 2016 Target**	**Actual End of Year June 2016**	**Actual End of June 2015**	**Year 2016 Target**
MM and s56	Female	2	-	-	-	-	-	-	-	1	-	-	1	-
	Male	4	1	-	-	1	-	1	-	1	-	2	1	1
Councillors,	Female	17	-	-	-	-	17	17	-	1	-	-	18	17
	Male	20	-	2	2	-	12	12	-	-	-	-	14	12
Senior Managers	Female	8	2	5	5	7	3	10	-	2	-	9	10	10
	Male	6	2	5	5	3	0	3	1	-	1	6	5	4
Technicians	Female	2	-	1	1	3	1	4	-	-	-	3	2	4
	Male	4	0	1	1	-	2	2	-	-	-	3	2	2
Professionals	Female	12	-	2	2	2	12	14	2	-	2	4	14	16
	Male	11	1	2	2	5	5	10	-	-	-	6	7	10
Sub Total	Femal	41	2	8	8	12	33	45	2	4	2	16	45	47

	e													
	Male	45	4	10	10	9	19	28	1	1-	1	14	30	29
Total		86	7	18	18	21	52	73	3	5-	3	63	149	76
*Register with professional Associate Body e.g. CA (SA)														

Note: The reason behind more senior managers and professionals doing learnerships than was planned was due to the fact that Top management took a decision that all middle managers should do CPMD as they are members of the Specifications and Evaluations Committee.

FINANCIAL COMPETENCY DEVELOPMENT REPORT 2015/2016*						
Description	**A** **Total number of officials employed by municipality (Regulation 14(4)(a) and (c)**	**B** **Total number of officals employed by municpal entitities (Regulation 14(4)(a) and (c)**	**Consolidated total A & B**	**Consolidated Competency Assessments completed for A and B (Regulation 14(4)(b) and (d)**	**Consolidated Total Number of Officals whose Performance Agreements Comply with Regulation 16 (Regulation 14(4)(f)**	**Consolidated Total Number of Officals that meet prescribed competencey levels (Regulation 14(4)(e))**
Financial Officials	0	0	0	0	0	0
Accounting Officer	1	0	1	0	1	1
Chief Financial Officer	1	0	1	0	1	1
Senior Managers	4	0	4	0	4	4
Any other Financial Officials	4	0	4	0	0	4
SCM Officals	3	0	3	0	0	3
Heads of SCM Management Units	0	0	0	0	0	0
SCM Senior Managers	1	0	1	0	0	1
Total	**14**	**0**	**14**	**0**	**6**	**14**

**This is a statutory report under the National Treasury: Local Government MFMA(Competency Regulations) June 2007*

Note: The National Treasury template focuses on the financial officials and senior managers/directors only . The information that has been populated in the template this financial year reflects reporting as per the treasury template.

Comment on the Financial Competency Regulations

On 15 June 2007, National Treasury published the Municipal Regulations on Minimum Competency Levels in Government (Gazette No. 29976). These Regulations went on to prescribe the higher education qualifications, work related experience and Financial and Supply Chain Management (SCM) competency areas that were required to be met by all officials of South African municipalities/municipal entities who exercise financial management responsibilities.

The Certificate Programme in Municipal Finance Development was required to be obtained by the following officials to whom the competency level prescriptions apply nationally within local authorities:

- Accounting Officers – Municipal Managers;
- Chief Financial Officer's (CFO's);
- Senior Managers – Executive Directors;
- Heads of Supply Chain Management (SCM) Units – Directors : SCM; and
- Managers of Supply Chain Management Units – Assistant Directors: SCM.
- SCM Officials
- Any other financial officials

As of 2015/2016 it must be noted that all senior manager are declared competent.

Staff Training conducted 2015/2016

Quarter 1 18 employees

Quarter 2 20 employees

Quarter 3 30 employees

Quarter 4 13 employees

Councillor training was conducted as follows:

Quarter 1 10 councillors

Quarter 2 0 Councillors

Quarter 3 0 Councillors

Quarter 4 2 Councillors

Community Training Initiatives 2015/2016

The following bursaries were awarded to members of the community in order for them to further their studies and be capacitated:

Name	Surname	ID Number	Qualification	Institution	Amount paid	Address
Ntomane	Tshokolo	9212055762084	ND in Civil Engineering	Walter Sisulu University	R39 860.00	T33 Khwezinaledi Lady Grey 9755
Tankiso	Moletsane	9207095879088	ND in Information Technology	MSC College	R18 844.00	1590 Steve Tshwethe Lady Grey 9755
Zukisa	Qwabaza	9405266125089	ND in Tourism	Damelin College	R27 290.00	P.O.Box 43 KwaGcina Village, Sterkspruit

NOTE: The bursaries for the above mentioned learners are awarded on annual basis

Training Committee

The Training Committee met regularly (quarterly) to discuss and decide/approve training related issues. As a consultative forum this committee was comprised of the following representatives:

- Skills Development Facilitator
- Portfolio Head of Corporate Services (Chairperson)

- Speaker
- Director Corporate Services
- Manager : Human Resource, Labour Relations & Legal Services
- IDP Manager
- HR Officer
- Electrician
- Accountant: Expenditure
- SAMWU Representative (90%)
- Personal Assistant in Community Service
- Chief Operations Officer
- SPU Officer
- Internal Auditor
- IT Manager

As required, the Workplace Skills Plan was compiled for the 2014/2015 financial year. This was adopted by Council (after having been signed off by Union).

Within both financial years it is noted that the SDF was appointed, the WSP was developed and approved, the training was implemented in terms of the WSP and it appears that progress was made in a number of areas.

SKILLS DEVELOPMENT EXPENDITURE (2015/2016)										
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
MM	Male	1	-	-	-	-	-	-	-	-
MM' S Office managers	Male	1	-	-	-	1 739.13	-	-	-	1 739.13
	Female	1	-	-	-	17 026.73	-	-	-	1 739.13
MM' S Office Professionals	Male	0	-		-	-	-	-	-	-
	Female	-	-		-	-	-	-	-	-
MM' S Office Clerks	Male	0	-		-	-	-	-	-	-
	Females	3	-	135 000	-	-	-	-	-	135 000
MM' s Office interns	Male	2	-		-	-	-	-	-	-
	Female	0	-		-	-	-	-	-	-

Legislators	Male	2	-	36 000	-	-	-	-	-	36 000
	Female	-	-	-	-	-	-	-	-	-

SKILLS DEVELOPMENT EXPENDITURE (2015/2016) (Cont.)										
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Director : Corporate services	Male	1	-	-	-	5 739.13	-	12 890	-	18 629.13
Corporate service s Manager	Male	0	-	-	-	-	-	-	-	-
	Female	3	-	-	-	10 629.53	-	-	-	10 629.53
Corporate services Professionals	Female	3	-	-	-	44 521.27	-	-	-	44 521.27
	Males	2	-	-	-	7 151.27	-	-	-	7 151.27
Corporate Services clerks	Male	2	-	-	-	10 300	-	-	-	10 300
	Female	4	-	-	-	64 775.01	-	-	-	64 775.01

Corporate services elementary workers/general workers	Males	2	-	-	-	-	-	-	-	-
	Female	2	-	-	-	-	-	-	-	-
Remaining was for unemployed	Males	1	-	-	-	4 363.64	-	-	-	4 363.64
	Female	5	-	-	-	16 968.72	-	-	-	16 968.72
Director Technical Services	Male	1	-	-	-	-	-	-	-	-

SKILLS DEVELOPMENT EXPENDITURE (2015/2016) (Cont.)										
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Technical Services technicians	Male	1	-	-	-	4 000	-	-	-	4 000
	Female	-	-	-	-	-	-	-	-	-
Technical Services clerks	Males	-	-	-	-	-	-	-	-	-
	Female	2	-	-	-	6 302.54	-	-	-	6 302.54

Technical services machine operators and drivers	Males	2	-	-	-	11 740	-	-	-	11 740
	Female	-	-	-	-	-	-	-	-	-
Director Development and Planning	Female	1	-	-	-	2000	-	-	-	2 000
IPME Managers	Males	2	-	-	-	29 692.86	-	-	-	29 692.86
	Female	1	-	-	-	2 000	-	-	-	2 000
IPME Professionals	Males	1	-	-	-	3 151.27	-	-	-	3 151.27
	Female	1	-	-	-	13 729	-	-	-	13 729
IPME clerks	Males	-	-	-	-	-	-	-	-	-
	Female	1	-	-	-	3 151.27	-	-	-	3 151.27

SKILLS DEVELOPMENT EXPENDITURE (2015/2016) (Cont.)						
MANAGEMENT LEVEL	**GENDER**	**EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR**	**LEARNERSHIPS**	**SKILLS PROGRAMMES AND OTHER SHORT COURSES**	**OTHER FORMS OF TRAINING**	**TOTAL**

		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Director Community Services	Males	-	-	-	-	-	-	-	-	-
	Female	1	-	-	-	2 000	-	-	-	2 000
Community Services Manager	Female	1	-	-	-	20 000	-	-	-	2 000
	Male	-	-	-	-	-	-	-	-	-
Community Services Professionals	Male	5	-	-	-	17 120	-	66 476	-	83 596
	Female	4	-	-	-	14 640	-	-	-	14 640
Community Services Clerks	Male	-	-	-	-	-	-	-	-	-
	Female	1	-	-	-	3 151.27	-	-	-	3 151.27
Community Services Elementary Workers	Female	-	-	-	-	-	-	-	-	-
	Male	1	-	-	-	2 604.28	-	-	-	2 604.28

SKILLS DEVELOPMENT EXPENDITURE (2015/2016) (Cont.)										
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Director Finance	Males	1	-	-	-	2 000	-	-	-	2 000
Finance Managers	Male	1	-	-	-	2 057.14	-	-	-	2 057.14
	Female	2	-	-	-	4 114.28	-	-	-	4 114.28
Finance Professionals	Males	6	-	-	-	15 494.11	-	-	-	15 494.11
	Females	6	-	-	-	19 358.95	-	-	-	19 358.95
Finance clerks	Males	-	-	-	-	-	-	-	-	-
	Females	2	-	-	-	7 265.55	-	-	-	7 265.55
Finance	Male	-	-	-	-	-	-	-	-	-

Trainees	Female	1	-	-	-	2 057.14	-	-	-	2 057.14

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Introduction to Workforce Expenditure

An organization is required to manage all resources in the most effective manner and this would include the financial management thereof (i.e. workforce expenditure). In an effort to institute and maintain effective controls (thereby minimizing opportunities to overspend), strict adherence to policy and procedure is required. In this regard no appointments are made without the appropriate approval and ensuring that the budget is allocated accordingly. Budgets are strictly controlled and over and/or under expenditure is reported on regularly (via monthly reporting). Staff appointments are made strictly according to the relevant legislation and/or policy agreement. Staffing issues rely on forward planning and ensuring that the correct appointments to the relevant post are made.

4.6 EMPLOYEE EXPENDITURE

Trends on total personnel expenditure (2006/2016)

FINANCIAL YEARS	TOTAL APPROVED OPERATING BUDGET	PERSONNEL EXPENDITURE (SALARY AND SALARY RELATED)	PERCENTAGE OF EXPENDITURE
2006-2007	52 589 227	18 008 309	34%
2007-2008	71 589 227	20 168 753	28%
2008 - 2009	76 525 928	25 909 676	34%
2009 - 2010	88 602 942	29 794 492 (re stated)	34%
2010 - 2011	162 817 822	43 121 392	26.48%
2011 – 2012	164 315 116	54 025 255	32.88 %
2012 – 2013	155 388 122	56 561 813	36.4%
2013 - 2014	156 024 245	58 113 939	37.24 %
2014 - 2015	189 054 435	64 189 227	34 %
2015-2016	201 479 756	73 236 687	36%

Comment on Workforce Expenditure

The 2015/2016 period was characterized by an increase in personnel expenditure from 34% to 36%.

Disclosures of Financial Interest (Refer Appendix J)

Reference is made to Appendix J which details all information as required.

CHAPTER 5



FINANCIAL PERFORMANCE

Chapter 5: Financial Performance

Introduction to Financial Performance

As the global economic uncertainty and rising costs cause inflationary pressures on the municipality, due care is exercised in order to ensure that effective financial management is maintained. In this regard every effort is made to ensure that systems and procedures are in place to ensure that there are sound fiscal controls and an environment that promotes effective financial management and minimizes fruitless and wasteful expenditure. The municipality also ensures that operations are properly controlled to ensure the efficient and effective delivery of services to our consumers.

The 2015/2016 financial year has been particularly successful for Senqu Municipality in so far as financial management and proven sustainability is concerned. To verify this statement, it must be noted that during the following years 2013/2014; 2014/2015 and 2015/2016 Senqu Municipality was awarded a Clean Audit from the Auditor General and ranked by Africa Rating as being the number one (1) financial performer of local authorities within the Eastern Cape.

In addition, Senqu Municipality was chosen to be the pilot site for the implementation of mSCOA – which will be applied nationally during 2016 as a matter of compliance. All aspects relating to mSCOA preparation are being incorporated within Senqu Municipality and its operating system – ensuring that the financial and support systems integrate with mSCOA requirements and performance reporting.

The OPCA project (Operations Projects Clean Audit) has progressed incredibly well – The challenge moving forward is to ensure that this achievement can be sustained.

With the introduction of GRAP, information has become more readily available and in many instances is being presented correctly. That being said, difficulties are experienced in respect of information required for property, plant and equipment, inventory, external valuations of employee benefits, tip site provisions and operating grant expenditure (detailed reporting required).

Regular reporting and reporting of required and useful information is required from each directorate and should be regarded as mandatory – which it is. This information is critical for all other reporting and should be readily available.

While specific detail on all aspects of finance are provided within the schedules attached a simple set of standard practices are required in order to ensure that required information is provided in a useful manner.

More specifically:

- There must be compliance regarding all reporting and in particular regarding predetermined objectives, having ensured that they are written in accordance with the SMART principles;
- Issues identified in terms of the Audit Action Plan are required to be addressed and appropriate follow ups conducted;
- The Internal Audit and Audit Committee are required to work together to review the Strategic and Annual Performance Plans – ensuring that these are correctly addressed and that appropriate and valuable reporting is to be found;
- The quality of quarterly and monthly reports is to be assessed and suitable and timeous action taken to rectify issues identified (financial, pre-determined targets or otherwise). Oversight from managers and Internal Audit/Audit Committee is required; and
- Zero tolerance in respect of unauthorised, irregular, fruitless and wasteful expenditure and potential qualifications on predetermined objectives and National Treasury views on non-priority spending.

As an overall assessment the following indicators are highlighted:

- Capital charges to Operating Expenditure : 23%
- Liquidity: 7.8
- Outstanding debtors to Annual Revenue : 12%
- Creditors to cash: 9%

- IDP regulation financial viability figures:

Debt Coverage	1720%
Outstanding Service Debtors:	6%
Cost coverage:	17 months

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Introduction to Financial Statements

Statements of Financial Performance are reflected in the tables that follow.

Note: Reference is made to **Appendix K** in which "Statements of Revenue Collection Performance by Vote and by Source" are included.

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE – 2015/2016 in Comparison With previous financial year 2014/2015 actuals

SENQU LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016

		2016	2015
		R	R
	Notes	(Actual)	(Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**191 550 136**	**164 527 063**
Taxation Revenue		**4 654 049**	**4 607 033**
Property Rates	20	4 654 049	4 607 033
Transfer Revenue		**181 191 040**	**151 993 584**
Transfers and Subsidies - Capital	21	31 955 780	27 636 029
Transfers and Subsidies - Operating	21	149 152 333	124 357 555
Public Contributions and Donations - Operating		6 140	-
Public Contributions and Donations - Capital		76 786	-
Other Revenue		**5 705 048**	**7 926 446**
Actuarial Gains	17	-	544 767
Fines, Penalties and Forfeits	22	323 933	818 340
Insurance Receipts		57 970	846 589
Gain on Fair Value Adjustments of Investment Property	8	5 323 145	5 716 750
REVENUE FROM EXCHANGE TRANSACTIONS		**50 936 376**	**44 676 420**

		50 936	**44 676**
Operating Activities		**376**	**420**
	2	30 896	29 442
Service Charges	**3**	123	726
	2	756	645
Rental from Fixed Assets	**4**	417	960
		13 913	10 511
Interest Earned - external investments		370	716
	2	2 493	1 969
Interest Earned - outstanding debtors	**5**	926	792
		1 085	1 303
Licences and Permits		309	197
		1 080	510
Agency Services		375	104
	2	504	155
Sales of Goods and Rendering of Services	**7**	115	249
	2	206	137
Operational Revenue	**6**	740	677
		242 486	**209 203**
TOTAL REVENUE		**512**	**483**

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SENQU LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016

EXPENDITURE			
Employee related costs	28	62 172 869	53 790 104
Remuneration of Councillors	29	11 063 818	10 399 123
Debt Impairment	30	4 240 970	4 554 196
Depreciation and Amortisation	31	18 351 928	15 766 740
Impairments		-	-
Repairs and Maintenance		-	-
Actuarial Losses	17	186 217	-
Finance Charges	33	2 527 622	2 467 728
Bulk Purchases	34	23 771 063	20 079 250
Contracted services	35	19 979 983	20 784 003
Transfers and Subsidies	36	-	479 587
Other Operating Grant Expenditure		-	-
Operating Leases	37	302 274	224 565
Operational Cost	38	28 614 967	27 747 379
Loss on Disposal of Fixed and Intangible Assets		290 300	264 481
Impairment of Investment Assets		146 350	886 045
Impairment of Property, Plant and Equipment	32	1 019 712	4 841 967
TOTAL EXPENDITURE		**172 668 071**	**162 285 169**
NET SURPLUS FOR THE YEAR		**69 818**	**46 918 315**

	441

In the Financial year 2015/16 Senqu Municipality achieved an operating surplus of 69 818 441 Actual results compared to planned budget outcomes can be seen below with explanations given for material variances.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE: BUDGET COMPARISONS OPERATING REVENUE

SENQU LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016

Refer to note 44.2 for Reasons for Material Variances for the Budget Comparisons

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)	
REVENUE BY SOURCE				
Property rates	4 654 049	6 856 119	(2 202 071)	-32.12%
Service charges	30 896 123	30 738 115	158 008	0.51%
Rental of facilities and equipment	756 417	312 356	444 061	142.17%
Interest earned - external investments	13 913 370	9 160 000	4 753 370	51.89%
Interest earned - outstanding debtors	2 493 926	1 191 796	1 302 130	109.26%
Fines	323 933	272 472	51 461	18.89%
Licences and permits	1 085 309	2 155 064	(1 069 755)	-49.64%
Agency services	1 080 375	1 815 217	(734 842)	-40.48%
Transfers and Subsidies - Operating	149 152 333	144 866 514	4 285 820	2.96%
Other revenue	6 174 896	2 265 818	3 909 079	172.52%
Gains on disposal of PPE	-	-	-	
TOTAL OPERATING REVENUE	**210 530 733**	**199 633**	**10 897 262**	

		470		
EXPENDITURE BY TYPE				
Employee related costs	62 172 869	68 715 378	(6 542 509)	-9.52 %
Remuneration of councillors	11 063 818	11 728 752	(664 934)	-5.67 %
Debt impairment	4 240 970	4 610 000	(369 030)	-8.00 %
Depreciation & asset impairment	19 517 990	19 386 859	131 130	0.68 %
Finance charges	2 527 622	1 269 014	1 258 608	99.18 %
Bulk purchases	23 771 063	31 200 000	(7 428 937)	-23.81 %
Contracted services	19 979 983	-	19 979 983	
Other expenditure	29 103 458	64 569 755	(35 466 297)	-54.93 %
Loss on disposal of PPE	290 300	-	290 300	
TOTAL OPERATING EXPENDITURE	**172 668 071**	**201 479 757**	**(28 811 686)**	

NOTE: Operating Revenue shows a variance of R 10 897 262 as compared to the estimated Operating Revenue at financial year end. This can be attributed to the effects of GRAP 9: Revenue from Exchange Transactions where rebates were budgeted for as "under expenditure". In addition it is noted that an additional R 4.7 m was collected from interest from investments and an additional R 3.9 million collected from other revenue for service charges.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE: BUDGET COMPARISONS OPERATING Expenditure (continued)

Note: The operating expenditure came in at a variance of (R 28 811 686). This was mainly due to the fact that there was a decrease in in bulk electricity purchases and other expenditure for the year under review.

EXPENDITURE AUTHORISED IN TERMS OF SECTION 32 OF THE MFMA

Unauthorised Expenditure

During the financial year 2015-2016 no unauthorised expenditure was incurred by Senqu Municipality.

BUDGET COMPARISON BY VOTE - UNAUTHORISED EXPENDITURE CURRENT YEAR - OPERATING

Unauthorised expenditure - Operating	2016 (Actual)	2016 (Final Budget)	2016 (Unauthorised)
	R	R	R
Executive & Council	23 517 673	28 715 591	-
Planning & Development	14 536 845	18 908 407	-
Corporate Services	22 356 797	25 192 946	-
Public Safety	7 405 328	7 774 260	-
Budget & Treasury	22 863 456	26 566 522	-
Road Transport	21 378 024	23 751 971	-
Waste Water Management	2 272 426	2 709 373	
Electricity	36 396 930	41 134 427	-
Community & Social Services	6 444 086	7 848 312	-
Sport & Recreation	1 036 361	1 047 673	-
Waste Management	14 460 145	17 830 275	-
Total	**172 668 071**	**201 479 757**	**-**

BUDGET COMPARISON BY VOTE - UNAUTHORISED EXPENDITURE CURRENT YEAR (CAPITAL)

Unauthorised expenditure - Capital	2016 (Actual)	2016 (Final Budget)	2016 (Unauthorised)
	R	R	R
Executive & Council	212 931	500 000	-
Planning & Development	86 377	2 141 100	-
Corporate Services	1 022 145	2 850 000	-
Housing	-	50 000	-
Budget & Treasury	519 426	1 435 000	-
Road Transport	18 472 675	24 168 640	-
Electricity	3 216 423	4 616 579	-
Community & Social Services	12 195 425	20 695 409	-
Public Safety	19 982	400 000	-
Sport & Recreation	1 695 776	7 364 550	-
Waste Management	1 443 515	1 998 710	-
Total	**38 884 674**	**66 219 988**	**-**

No Unauthorised Capital Expenditure was incurred for the year under review

EXPENDITURE AUTHORISED IN TERMS OF SECTION 32 OF THE MFMA

Fruitless & Wasteful Expenditure

Fruitless and Wasteful expenditure for the financial year (2015/16) amounted R 2 375 and R 998 341 was incurred during the previous financial year

INCIDENT	DISCIPLINA	2016	2015

	RY STEPS/ CRIMINAL PROCEEDINGS		
Electricity losses higher than the norm	*None*	-	969 302
Interest paid to Eskom, Telkom and Kirchmanns – 2014 – Approved by Council	*None*	**-**	(9 605)
Interest paid to Eskom - 2015	*None*	2375	29 039 -
Interest paid to Telkom			
TOTAL		**2375**	**998 341**

Irregular Expenditure

Irregular expenditure increased from R 20 900 to R 667 329 in the 2014/15 financial year. The irregular expenditure resulted from non-compliance with SCM regulations. This is regarded in a very serious light by the Municipality and has resulted in efforts to strengthen its control environment to ensure that irregular expenditure is eliminated completely.

Irregular expenditure consists out of the following:	2016	2015
Payments made as deviation from Supply Chain Processes	-	529 195
Deviations from Supply Chain Regulations - Sect 44 - Awards to persons in service of state.	310 238	138 134
Deviations from Supply Chain Regulations and Service Level Agreement - Disciplinary processes have been initiated.	269 659	-
Deviations from Supply Chain Regulations and Policies - Disciplinary processes have been initiated	222 733	-
Total	**802 630**	**667 329**

5.2 GRANTS

SENQU LOCAL MUNICIPALITY
APPENDIX E (UNAUDITED)
DISCLOSURE OF TRANSFERS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2016

	OPENING BALANCE	GRANTS RECEIVED	INTEREST ON INVESTMENTS	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	CLOSING BALANCE
	R	R	R	R	R	R
NATIONAL GOVERNMENT						
Equitable Share	-	135 985 000	-	135 985 000	-	-
Municipal Finance Management	-	1 600 000	-	1 600 000	-	-
	4 842					
Municipal Infrastructure Grant	699	33 262 000	-	6 148 920	31 955 780	-
Municipal Systems Improvement	-	930 000	-	930 000	-	-
NDPG (Neighbourhood Development	2 010					2 010
Partnership Grant)	056	-	-	-	-	056
EPWP (Expanded Public Works Program)	-	2 059 000	-	2 059 000	-	-
	6 852	**173 836**				**2 010**
Total	**755**	**000**	**-**	**146 722 920**	**31 955 780**	**056**
PROVINCIAL GOVERNMENT						
Prov Gov - Housing (Hillside)	232 652	-	-	-	-	232 652
	8 446					8 901
Herschel People's Housing	905	-	454 678	-	-	583
Alien Vegetation Eradication	1 229	-	-	1 229 414	-	-

	414					
Libraries	-	1 200 000	-	1 200 000	-	-
	9 908	**1 200**				**9 134**
Total	**972**	**000**	**454 678**	**2 429 414**	**-**	**236**
	16 761	**175 036**				**11 144**
ALL SPHERES GOVERNMENT	**727**	**000**	**454 678**	**149 152 333**	**31 955 780**	**292**

Comments regarding Grant Funding

- The Opening Balance for Grant Funding at the beginning of the year stood at R 16 761 727. Contributions received during the financial year amounted to R 175 036 000.
- Operating Grant Conditions met during the financial year and transferred to revenue amount to R 149 152 333 whilst conditions met for Capital Conditional Grants transferred to revenue amount to R 31 955 780.
- Reasons for the under-spending on grants can be largely attributed to the tribal land dispute issues in the Herschel Housing project that prevents work from continuing.

5.3 ASSET MANAGEMENT

Introduction to Asset Management

The Municipal Finance Management Act No. 56 of 2003 clearly states in Section 62[1][a] that the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

Furthermore an Accounting Officer of a municipality is responsible for the management, safeguarding and maintenance of assets and liabilities and must for this purpose take all reasonable steps to ensure that the municipality has and implements the following:

- Maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
- That assets and liabilities are valued in accordance with standards of Generally Recognised Accounting Practice; and
- Maintains a system of internal control of assets and liabilities, including an Asset and Liabilities Register.

ROLES & RESPONSIBILITIES

Role of the Municipal Manager

As the Accounting officer of the municipality, the Municipal Manager is regarded as the principal custodian of the entire municipality' s fixed assets. Accordingly the Municipal Manager is responsible for ensuring that the Fixed Asset Management Policy is scrupulously applied and adhered to. The Municipal Manager may in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003 delegate this responsibility.

Role of the Senior Managers

Chief Financial Officer

The Chief Financial Officer shall be the Fixed Asset Registrar of the municipality and is required to ensure that a complete, accurate and up-to-date computerized fixed asset register is maintained. No amendments, deletions, additions or transfers between departments to the fixed asset register shall be made other than by the Chief Financial Officer, or by an official acting under the written instruction of the Chief Financial Officer.

The Chief Financial Officer shall:

- Ensure implementation of the Asset Management and Insurance Policy;
- Ensure the verification of all assets in possession of council annually, as at 30 June each year, within the last three months of that specific financial year;
- Keep a complete and balanced record (assets register) of all assets in possession of the council; and
- Report in writing all asset losses to the council.

Other Senior Managers

- The responsibility for the physical control of assets rests with the relevant Head of Department to whom the responsibility was delegated in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003.
- Each Head of Department shall ensure that assets entrusted to him / her are adequately maintained, properly used and insured and ensure that section 78 of the Municipal Finance Management Act, No 56 of 2003, is adhered to.
- The Chief Financial Officer must approve any transfer of assets between departments after arrangements between the relevant Heads of departments were made.
- Upon the resignation / retirement of an employee, the applicable Head of Department must inform the Chief Financial Officer and Corporate Service Department in writing that the inventory and asset items entrusted to that employee to execute his / her duties are in good order and returned. When necessary the applicable Head of Department must inform the Corporate Services Department of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant Head of Department.

The Municipalities Asset Management Policy was adopted by council on 29 May 2015 as part of the budget related policies.

Although capacity within the municipality' s asset management section is limited due to the size of the municipality, capacitation programmes have been identified and increased internal control over assets is observed. Clearly this shows the commitment from management to ensure that capacity is improved.

Additions during the financial year for capital assets amounted to R 38 799 636 which include the following categories of assets. This is not including an amount of R 9909 for intangible assets not included in the table below.

CAPITAL ASSETS 2015/2016

30 June 2016	Additions R
Land and Buildings	**8 724 492**
Land	-
Buildings	8 724 492
Infrastructure	**20 128 893**

Roads	12 698 359
Stormwater	4 579 582
Solid Waste	501 536
Electricity	2 349 416
Taxi Ranks	-
Community Assets	**5 957 084**
Sports Fields	1 625 613
Node Development	-
Parks & Gardens	70 163
Cemetery	4 231 642
Other	29 666
Other Assets	**3 989 166**
Motor Vehicles	1 324 939
Plant & Equipment	1 007 461
Office Equipment	357 153
Furniture & Fittings	237 193
Loose Equipment	67 332
Computer Equipment	383 008
Specialised Vehicles	612 080
Security Items	-
Total	**38 799 636**

TABLE: SCHEDULE A9 ASSET MANAGEMENT SUMMARY SHEET

		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		95 791	112 313	115 495	119 442	126 453	126 453	147 806	173 218	184 936
Infrastructure - Electricity		6 067	8 510	11 146	15 157	14 437	14 437	20 739	20 252	20 055
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		3 897	16 282	14 005	21 616	14 859	14 859	18 943	27 376	28 667
Infrastructure		*105 755*	*137 104*	*140 646*	*156 216*	*155 749*	*155 749*	*187 489*	*220 846*	*233 658*
Community		15 360	16 599	27 307	56 518	54 604	54 604	66 731	73 520	93 860
Heritage assets		–	–	–		–	–	–	–	–
Investment properties		10 262	8 664	17 024	8 664	17 024	17 024	17 024	17 024	17 024
Other assets		72 618	83 034	110	105	116	117	130	125	120

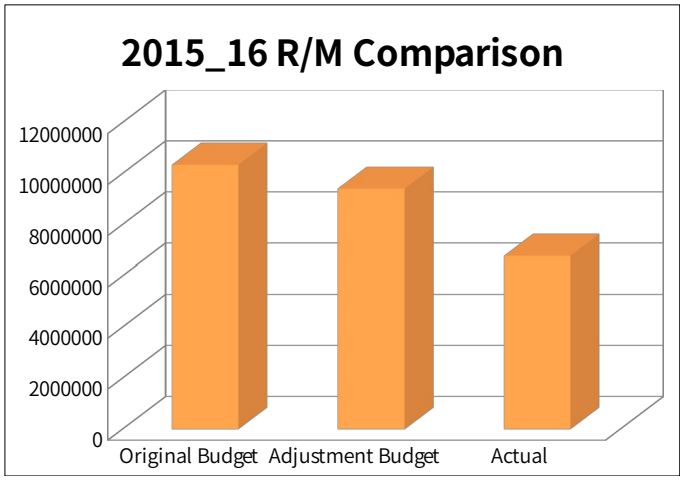
				402	247	357	385	103	151	444
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		181	160	203	109	203	203	151	91	24
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**204 177**	**245 561**	**295 581**	**326 753**	**343 936**	**344 964**	**401 497**	**436 632**	**465 010**

REPAIRS & MAINTENANCE (2015/2016)

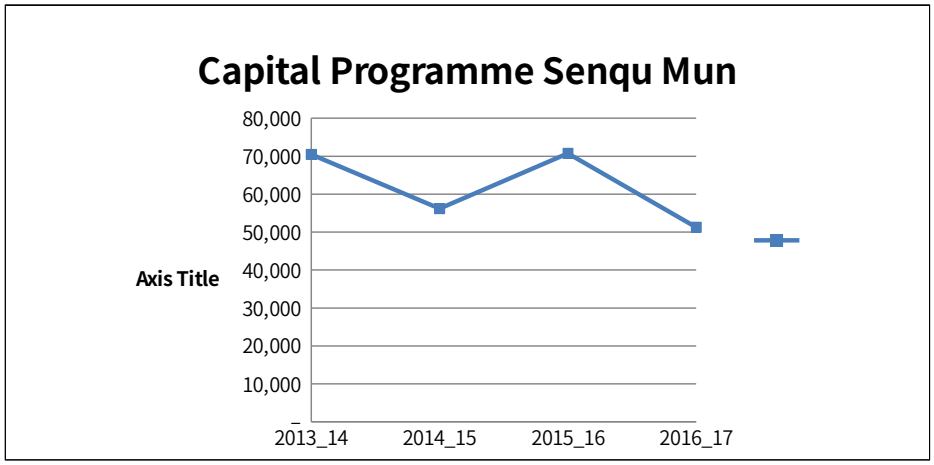
Repairs and Maintenance Expenditure Year June 2016				
Repairs and Maintenance Expenditure	Original Budget	Adjustment Budget	Actual	Budget variance %
Totals	R 10 346 321	R 9 409 261	R 6 780 103.71	28 % Variance – Adjusted Budget vs. Actual Exp R/M

Comments on Repairs and Maintenance:

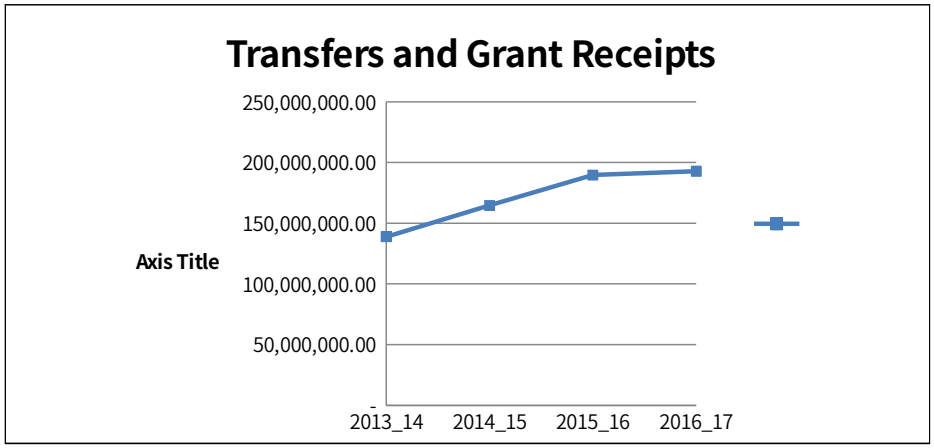
- During the Adjustment Budget process, the originl amount for repairs and maintanance was reduced from R 10 346 321 to R 9 409 261 (R 937 060 reduction).
- 72 % of the Adjustment Budget was subsequently spent which shows a deviation of 28 % less than approved adjusted budget with actual expenditure amounting to R 6 780 103. Reference is made to the graph below for a comparison of basis of the table above.



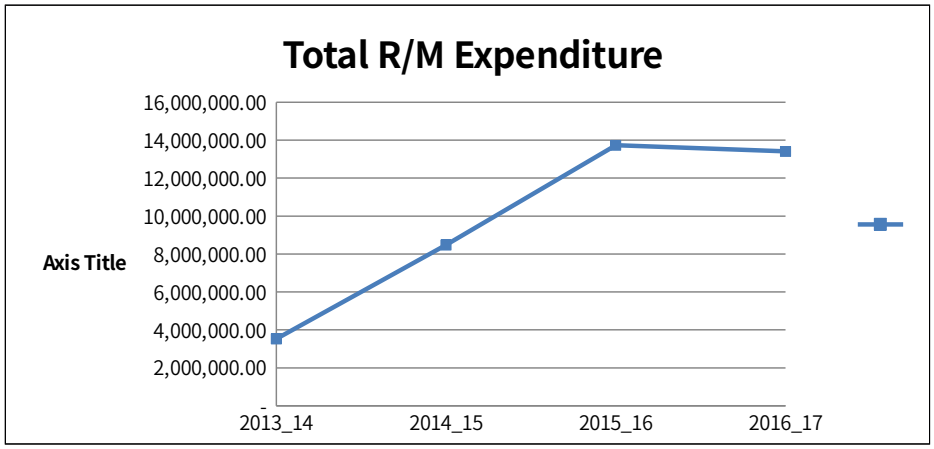
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

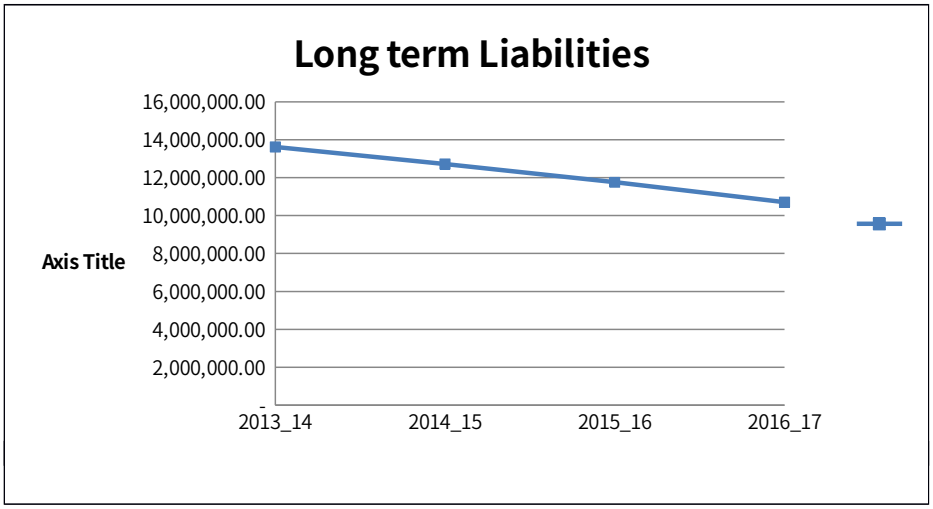


The Graph shows the movement of Capital Expenditure from the financial year 2013-2014 to the financial year 2016-2017.



The Graphs above and below show the estimated increase of total grants receipts and expenditure for repairs and maintenance for Senqu Municipality over the MTEF





Long term liabilities are expected to decrease within the future financial period as initial loans are redeemed and no additional loans are expected to be undertaken

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Introduction to Spending against Capital Budget

- Capital expenditure relates mainly to construction projects that will have lasting value over many years.
- Capital expenditure is funded from grants, and the municipality' s capital replacement reserve.

TABLE: SENQU MUNICIPALITIES CAPITAL ACQUISITION PROGRAMME

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Description	Ref	2012/13	2013/14	2014/15	2015/16	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Actual 2015/16	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Infrastructure		**10 250 896**	**36 921 129**	**15 851 243**	**20 243 620**	**27 950 161**					
Infrastructure - Road transport		8 512 002	33 817 513	12 493 588		17 320 341	22 493	22 493	32 588	37 320	24 341
Roads, Pavements & Bridges		6 071 475	33 002 055	9 536 055	12 698 4	14 920 3	21 588	21 588	32 920 3	33 141 4	20
Storm water		2 441 580	– 3 038	3 281 1 438	580 1 438	3 038 – 6	1 438	1 438	– 400	400 200	200
Infrastructure - Electricity		711 –	791 –	2 988 –		4 486 –	3 712 –	3 712 –	762 –	– –	320 –
Generation					2				3		
Transmission & Reticulation		711	791	2 988	349	4 486	980	980	268	–	–
Street Lighting		–	–	–		–	2 732	2 732	3	–	320

										494		
Infrastructure - Water		–	–	–		–	–	–	–	–	–	
Dams & Reservoirs		–	–	–		–	–	–	–	–	–	
Water purification		–	–	–		–	–	–	–	–	–	
Reticulation		–	–	–		–	–	–	–	–	–	
Infrastructure - Sanitation		–	–	–		–	–	–	–	–	–	
Reticulation		–	–	–		–	–	–	–	–	–	
Sewerage purification		–	–	–		–	–	–	–	–	–	
										4	8	1
Infrastructure - Other		1 027	3 103	116		5 852	1 038	1 038	270	630	500	
										4	8	1
Waste Management		–	2 947	116	502	5 852	1 038	1 038	270	630	500	
Transportation	2	1 027	156	–		–	–	–	–	–	–	
Gas		–	–	–		–	–	–	–	–	–	
Other	3	–	–	–		–	–	–	–	–	–	

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Description	Ref	2012/13	2013/14	2014/15	2015/16	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Actual 2015/16	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Community		**12 721**	**6 846**	**11 996**	**5 957**	**22 065**	**27 208**	**27 208**	**12 580**	**7 270**	**20 849**
Parks & gardens		–	945	91	70	500	100	100	200	1 000	200
Sportsfields & stadia		2 781	2 120	11 616	626	5 582	6 853	6 853	7 880	–	531
Swimming pools		–	–	–		–	–	–	–	–	–
Community halls		2 381	2 092	–		483	953	953	3 800	2 300	350
Libraries		–	–	–		–	–	–	–	–	–
Recreational facilities		7 274	–	–		–	–	–	–	–	–
Fire, safety & emergency		–	–	–		–	–	–	–	–	–
Security and policing		–	–	–		–	–	–	–	–	–
Buses	7	–	–	–		–	–	–	–	–	–
Clinics		–	–	–		–	–	–	–	–	–
Museums & Art Galleries		–	–	–		–	–	–	–	–	–

Cemeteries		286	1 689	289	4 232	5 500	7 052	7 052	300	–	8 731
Social rental housing	8	–	–	–		–	–	–	–	–	–
Other		–	–	–	3 0	–	250	250	400	3 970	2 037

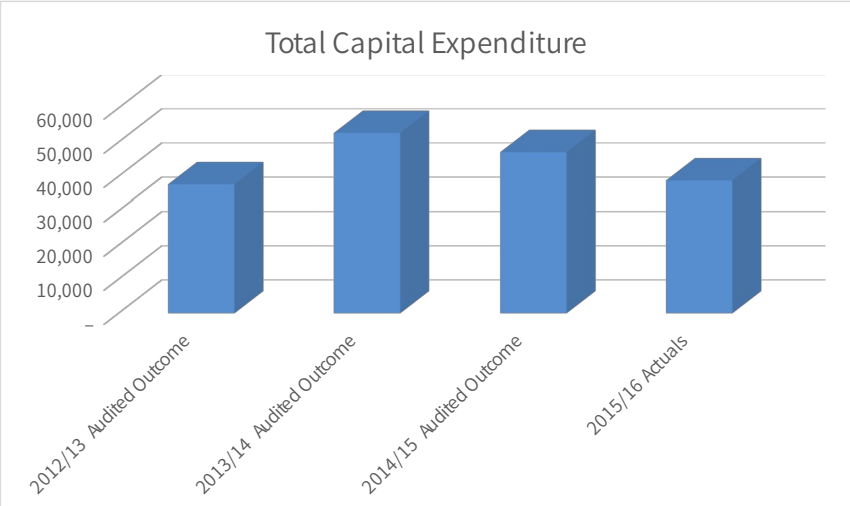
Description	Ref	2012/13	2013/14	2014/15	2015/16	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Actual 2015/16	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/	Budget Year +1	Budget Year +2

									17	2017/18	2018/19
Other assets		**14 670**	**8 902**	**19 158**	**12 714**	**12 974**	**11 769**	**11 769**	**19 378**	**2 103**	**2 767**
General vehicles		675	948	4 929	1 325	1 560	1 567	1 567	670	–	–
Specialised vehicles	10	1 737	–	–	612	1 000	707	707	–	–	–
Plant & equipment		8 741	2 069	1 025	1 075	1 925	1 965	1 965	1 370	480	610
Computers - hardware/equipment		–	–	–	383	1 264	1 437	1 437	1 558	1 258	1 147
Furniture and other office equipment		720	1 611	2 402	594	982	1 100	1 100	1 155	285	30
Abattoirs		–	–	–		–	–	–	–	–	–
Markets		–	–	–		–	–	–	–	–	–
Civic Land and Buildings		2 798	–	–		–	–	–	–	–	–
Other Buildings		–	4 275	10 802	8 724	3 810	2 560	2 560	14 625	80	980
Other Land		–	–	–		400	400	400	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–		–	–	–	–	–	–
Other		–	–	–		2 033	2 033	2 033	–	–	–
Intangibles		24	56	–	10	–	–	–	–	–	–
Computers - software & programming		24	56	–	10	–	–	–	–	–	–
Other (list sub-class)		–	–	–		–	–	–	–	–	–
		–	**–**	**–**		**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure	1	**37**	**52**	**47**	**38**	**62**	**66**	**66**	**75**	**55**	**49**

		665	**701**	**075**	**810**	**890**	**220**	**220**	**578**	**323**	**777**

5.5 CAPITAL EXPENDITURE

The following graph indicates the Capital Expenditure over the next 3 years



5.6 SOURCES OF FINANCE

The table below shows the sources of finances to be used for Capital Acquisitions for Senqu Municipality. It must be noted that the municipality mainly uses the MIG Grant Funding and its Capital Replacement Reserves to fund capital acquisitions:

CAPITAL EXPENDITURE	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
CAPITAL EXPENDITURE (FUNDING SOURCES)						
National Government	35 398 900	4 842 699	40 241 599	31 955 780	(8 285 819)	27 636 029
Transfers recognised - capital	**35 398 900**	**4 842 699**	**40 241 599**	31 955 780	**(8 285 819)**	**27 636 029**
Internally generated funds	27 491 000	(1 512 611)	25 978 389	6 853 765	(19 124 624)	19 439 023
Total Capital Funding	62 889 900	3 330 088	66 219 988	38 809 545	(27 410 443)	47 075 052

5.7 CAPITAL SPENDING ON PROJECTS

The following table aims to highlight the infrastructure assets and progress regarding these assets during the financial year 2015 /2016

Infrastructure Assets 2015_16	Expenditure 2015/1016 (Excl Retention)
Sterkspruit Landfill Site	145 442.94
Wards 3-Box Culvert,4-Pedestrian Bridge	82 611.66
Construction of pedestrian bridge in Boomplaas ward 4	2 154 073.25
Construction of ward 3 culvert crossing Hobobeng ward 3	606 398.67
Senqu Cemeteries Phase 3	413 253.44
Refurbishment of Barkley East sport field	27 583.47
Road repair and resealing - Lady Grey	119 858.35
Repair, resealing, concrete block paving & stormwater channelling for streets in Lady Grey ward 14	9 080 099.97
Gravel roads ward 3	1 595 913.82
Gravel roads ward 4	2 531 718.13
Community hall in ward 18 (Esilindini)	2 378 605.68
Community hall ward 9 (Kwa Ngquba)	2 203 776.67
Community hall ward 12	2 760 798.25
Barkley east stadium lighting in ward 16	1 241 478.00
Rehabilitation of cemetery ward 3 - Qhoboshare	870 878.22
Rehabilitation of cemetery ward 3 - Musong	1 254 422.19
Rehabilitation of cemetery ward 6 - Miamli	1 035 283.30
Barkley east street light	1 287 882.40
Extension of Barkley East cemetery	458 812.61
Ward 17 internal roads and stormwater	314 978.68
Ward 18 internal roads and stormwater	269 823.94
Upgrading of Sportsfield, Naledi in ward 13	401 027.53
Survey of 5.5 km roads in ward 10 & 11	76 672.94
Upgrading of Sportsfields Kwag cina in ward 2	401 027.53
Old age home offices - Phase 2	831 171.50
Herschel - Solid landfill site	113 962.80
Rossouw - Solid landfill site	112 360.72
Rhodes - Solid landfill site	112 360.72
Pedestrian bridge ward 5	38 552.50
Pedestrian bridge - Lady grey	16 452.46
Paved streets in Herschel	44 335.84
Park Lady Grey	70 163.04
Renovations Transwilger Hall	125 758.35
Hawker Stalls Sterkspruit	29 665.95
Street Lights Ward 14 - LG	22 200.00
Lady Grey solid waste site	8 704.21

Barkley East solid waste site	8 704.21

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Introduction to Cash Flow Management and Investments

Having displayed exceptionally good financial management and investment practices, it must be noted that the municipality is currently experiencing an extremely favourable cash flow and finds itself in a position to meet its long and short term commitments in a timely manner. The council of the municipality is regarded as the trustee of the public revenues, which it collects and it therefore has an obligation to the community to ensure that the municipality' s cash resources are managed effectively and efficiently. Under these circumstances, the Council has a responsibility to invest these public revenues knowledgeably and judiciously and must be able to account fully to the community in respect of these investments. The overall responsibility of investments lies with the Municipal Manager. However, it must be noted that the day-to-day handling of investments remains the responsibility of the Chief Financial Officer or his/hers delegates.

As part of the Cash Management Programme, the Chief Financial Officer prepares an annual estimate of the municipality' s cash flow divided into calendar months and updates this estimate on a monthly basis. This estimate shall indicate when and for what periods and amounts surplus revenues may be invested, when and for what amounts investments will have to be liquidated, and when (if applicable) either long-term or short-term debt must be incurred.

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5.8 CASH FLOW

The table that follows will detail comparisons regarding Senqu Municipalities Cash Flow for 2014/15 financial year

SENQU LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2016

Refer to note 44.2 for Reasons for Material Variances for the Budget Comparisons

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates, penalties & collection charges	3 605 127	(1 783 827)	5 388 954	-302.10%
Service charges	25 745 317	27 618 248	(1 872 931)	-6.78%
Other revenue	8 102 978	7 333 185	769 793	10.50%
Government - operating	143 891 778	144 866 514	(974 736)	-0.67%
Government - capital	31 598 900	40 241 599	(8 642 699)	-21.48%
Interest	13 913 370	10 351 796	3 561 575	34.41%
Payments				
Suppliers and Employees	(148 946 857)	(192 471 245)	43 524 389	-22.61

Finance charges	(1 116 960)	(1 269 014)	152 054	% - 11.98 %
NET CASH FROM OPERATING ACTIVITIES	**76 793 653**	**34 887 256**	**41 906 397**	

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SENQU LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2016

Refer to note 44.2 for Reasons for Material Variances for the Budget Comparisons				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET				
	2016 R	**2016 R**	**2016 R**	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	248 311	-	248 311	
Payments				
Capital assets	(38 884 674)	(66 219 988)	27 335 314	-41.28 %
NET CASH USED IN INVESTING ACTIVITIES	**(38 636 364)**	**(66 219 988)**	**27 335 314**	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Increase in consumer deposits	102 728	79 568	23 160	29.11 %
Payments				
Repayment of borrowing	(802 388)	(802 795)	407	-0.05 %
NET CASH USED IN FINANCING ACTIVITIES	**(699 660)**	**(723 228)**	**23 567**	
NET INCREASE/(DECREASE) IN CASH HELD	**37 457 629**	**(32 055 960)**	**69 265 278**	
Cash and Cash Equivalents at the beginning of the year	183 459 842	183 459 842	(0)	0.00 %

Cash and Cash Equivalents at the end of the year	220 917 468	151 369 156	69 548 313	45.95 %

5.9 BORROWING FROM INVESTMENTS

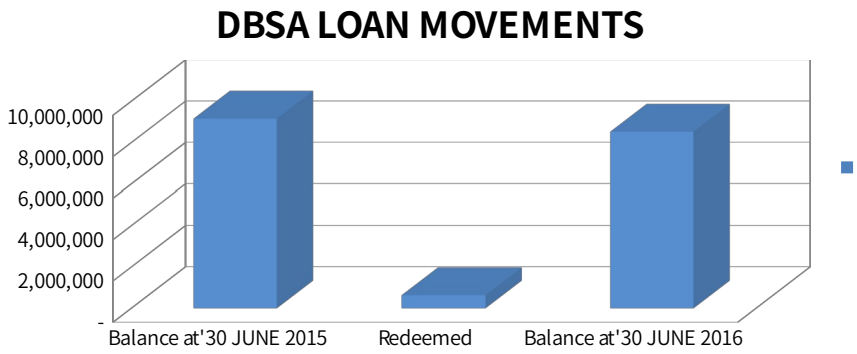
Introduction to Borrowing and Investments

The Municipality currently has 2 long term borrowing commitments both payable to the Development Bank of South Africa.

One loan relates to the extension of the Senqu Municipality office building and the second loan relates to the purchase of electrical infrastructure to reduce electricity losses and improve service delivery.

Table: DBSA LOAN MOVEMENTS

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5.10 PUBLIC PRIVATE PARTNERSHIPS

Public Private Partnerships

Council has not entered into any private public partnerships during this financial year.

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COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

Introduction to Supply Chain Management

The Council and management remain committed to ensuring that all SCM legislation and regulations are complied with in order to ensure that fair and transparent tender processes are followed at all times and to ensure full compliance with the applicable legislation. In support of this, the Municipal SCM policy has been reviewed and approved by council during the previous financial year as part of the review of all budget related policies.

In order to comply with section 119 of the MFMA all members serving on Bid Specification, Evaluation and Adjudication Committees and all SCM staff are attending National Treasury approved training to ensure that they meet the prescribed minimum competency levels relating to SCM.

Various other control measures are also being implemented to ensure that SCM practices are effected in a fair, equitable and transparent manner. Supply Chain Management continues to be seen as an area of priority for top management.

5.12 GRAP COMPLIANCE

Introduction to GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. The Municipality is currently in full compliance with all provisions of GRAP.

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The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The Municipality resolved to early adopt the following GRAP standards which have been issued but are not effective yet.

NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED		
ndards of GRAP which were issued but are not yet effective:		
Standard	**Description**	**Effective Date**
GRAP 1 (May 2015)	Presentation of Financial	1 April 2016
GRAP 16 (May 2015)	Investment Property	1 April 2016
GRAP 17 (May 2015)	Property, Plant and	1 April 2016
GRAP 31 (May 2015)	Intangible Assets	1 April 2016
GRAP 103 (May 2015)	Heritage Assets	1 April 2016

CHAPTER 6

AUDIT COMMITTEE FINDINGS

CHAPTER 6:

AUDIT COMMITTEE FINDINGS

Introduction

These issues will be formally addressed by the Audit Committee (with input from directors) in the subsequent draft of this Annual Report. The data for both the 2014/2015 and the 2015/2016 years are required to be provided.

COMPONENT A: AUDIT COMMITTEE REPORT ON SERVICE DELIVERY 2014/2015

6.1 AUDIT COMMITTEE REPORT ON SERVICE DELIVERY YEAR 2014/2015

Audit Committee on Service Delivery: June 2015 (Previous Financial Year)

During the Financial Year, 2014/2015, Senqu Municipality achieved a clean audit report with emphasis of matter.

	AUDIT COMMITTEE REPORT SERVICE DELIVERY: 30 JUNE 2015	
#	**Non-Compliance Issues: Emphasis of Matter**	Remedial Action Taken
1	Paragraph Number 8. **"Permits for landfill sites"** As disclosed in note 51 to the financial statements, the municipality does not have a permit or license for all of the landfill sites currently in use and could be liable for a penalty in terms of Section 24 (g) of the Environmental Conservation Act, 1997.	**Recommended** The Municipality is in a process of conducting Environmental Impact Assessments for the development of new solid waste sites, progress was last received through email dated 16 March 2015 from Sektor consulting engineers and Aurecon and progress was reported as follows: Rossouw solid waste site ; The Environmental Impact Assessment scoping report was accepted by Department of Environmental Affairs; Terreco Environmental

		prepared the draft Environmental Impact report for public review; The draft Environmental Impact report was sent to all stakeholders except residents of Rossouw for review; Senqu municipality has been requested to intervene and assist the service provider as the matter delays the EIA process;

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	AUDITOR-GENERAL REPORT SERVICE DELIVERY: 30 JUNE 2015 (cont.)	
#	**Non-Compliance Issues: Emphasis of Matter**	Remedial Action Taken
	…continued from previous page **"Permits for landfill sites"** As disclosed in note 51 to the financial statements, the municipality does not have a permit or license for all of the landfill sites currently in use and could be liable for a penalty in terms of Section 24 (g) of the Environmental Conservation Act, 1997.	Rhodes solid waste site ; The Environmental Impact Assessment scoping report was submitted to Department of Environmental Affairs however, it was not approved as the Ratepayers of Rhodes objected to the solid waste site. A meeting was held between the Department of Environmental Affairs, Senqu Municipality and Sector engineers in November 2014 to discuss DEA's concerns and the response from the ratepayers; The revised Application was drafted and submitted to Senqu for approval in February 2015. Sterkspruit solid waste site ; Land for development of a proposed landfill site in Sterkspruit was identified; A public participating process meeting for the EIA phase was scheduled for 24 June 2014. After unsuccessful meeting with community Nongongo, Nuku Inc was contacted with regards to the expropriation process followed. Nongogo Nuku Attorneys was instructed to transfer the land to the municipality and create a trust fund to be used to settle any valid claims against the land; the said attorneys indicated on the 23 February 2015 that the land surveyor is looking for a hard copy of the consent subdivision as given by the local municipality to include as part of the documentation for submission to the Surveyor General which was subsequently submitted.

"Clean Report with Emphasis of Matter"

The performance and annual financial statements were presented fairly, in all material respects, the financial position of the Senqu Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DORA.

COMPONENT B: AUDIT COMMITTES REPORT ON AUDITOR GENERALS OPINION ON SERVICE DELIVERY 2015/2016

6.2 AUDIT COMMITTEE REPORT ON SERVICE DELIVERY YEAR 2015/2016

During the Financial Year, 2015/2016, Senqu Municipality achieved a clean audit report with emphasis of matter.

	AUDIT COMMITTEE REPORT SERVICE DELIVERY: 30 JUNE 2016	
#	**Non-Compliance Issues: Emphasis of Matter**	Remedial Action Taken
1	The municipality does not have a permit or license for all of the landfill sites currently in use and could be liable for a penalty in terms of section 24 (g) of the Environmental Conservation Act, 1997.	***Recommended:*** ***Barkley East Landfill Site*** 1. A consultant was appointed by DEDEAT to assist the municipality in obtaining the permit for the landfill site. As per the letter reporting on the progress dated 13 January 2016 from the Department of Water and Sanitation (DWS) addressed to the appointed consultant, it was reported that the DWS had assessed the draft scoping report on the landfill site and have submitted their own comments which should be considered. 2. Furthermore, a letter from the Environmental Affairs: Joe Gqabi Region was received by the appointed consultant on 19 February 2016,

		confirming that DEDEAT has received the Final Scoping Report and instructed the consultant to proceed with the next required process which is in terms of the Environmental Impact Regulations (EIA). 3. The Draft Environmental Impact Report was issued in April 2016 for public review and commenting by the appointed consultant with the Director: Technical Services and Manager: Waste Management being involved. 4. The landfill site licence (licence number: JG/B/2/10/001/15) was subsequently issued by DEDEAT: Air Quality and Waste Management section on 4 November 2016.

	AUDIT COMMITTEE REPORT SERVICE DELIVERY: 30 JUNE 2016 (cont.)	
#	**Non-Compliance Issues: Emphasis of Matter**	Remedial Action Taken
	…continued from previous page	***Rhodes Landfill Site*** 1. A public meeting was held on 14 April 2016 whereby the EIA process and the public participation process was explained and the interested and affected parties were also requested to register their comments. 2. On 28 April 2016 an advertisement notifying the public on the EIA application and requesting for comments was placed on the Daily Dispatch newspaper. 3. The consultant which was appointed by the municipality last submitted a Progress Summary Report on 13 May 2016 stating that the ecological and wetland assessment had been performed and that the EIA process was still in progress. ***Rossouw Landfill Site*** 1. A public meeting was held on 15 April 2016

		whereby the EIA process and the public participation process was explained and the interested and affected parties were also requested to register their comments. 2.The consultant which was appointed by the municipality submitted a Progress Summary Report on 20 April 2016 stating that the ecological, geohydrological and wetland assessment had been performed and that the EIA process was still in progress. 3. On 29 April 2016 an advertisement notifying the public on the EIA application and requesting for comments was placed on the media (The Reporter).

	AUDITOR-GENERAL REPORT SERVICE DELIVERY: 30 JUNE 2016 (cont.)	
#	**Non-Compliance Issues: Emphasis of Matter**	Remedial Action Taken
	…continued from previous page	***Herschel Landfill Site*** 1. A public meeting was held on 13 April 2016 whereby the EIA process and the public participation process was explained and the interested and affected parties were also requested to register their comments. 2. On 25 Apr 2016 an advertisement notifying the

		public on the EIA application and requesting for comments was placed on the The Reporter newspaper. 3. The consultant which was appointed by the municipality submitted a Progress Summary Report on 13 May 2016 stating that the ecological and wetland assessment had been performed and that the EIA process was still in progress. ***Sterkspruit Landfill Sites*** ***A. Closure and rehabilitation of the old waste site & B. New landfill site*** 1. The municipality has received the letter from DEDEAT on 1 Jul 2014, confirming the closure of the Sterkspruit landfill site and rehabilitation thereof. 2. The progress outlined below was provided by management in the control dashboard only and could not be verified by the internal audit unit as at 30 Jun 2016 due to non-submission of evidence and further explanations required. The new project was under community constraints. A meeting will be held between the municipal political principals and the community to address the issue of the expropriated land which they don’ t want to be used for the landfill site.

APPENDIX T

SENQU MUNICIPALITY

SECTION 46 REPORT 2015-2016

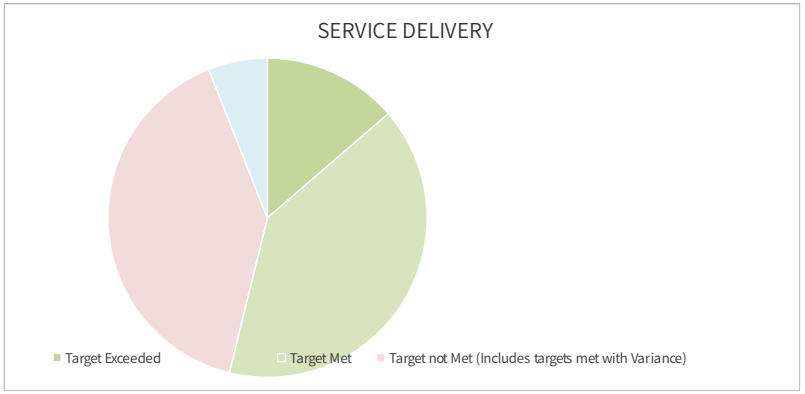
(Pre determined IDP /SDBIP Targets)

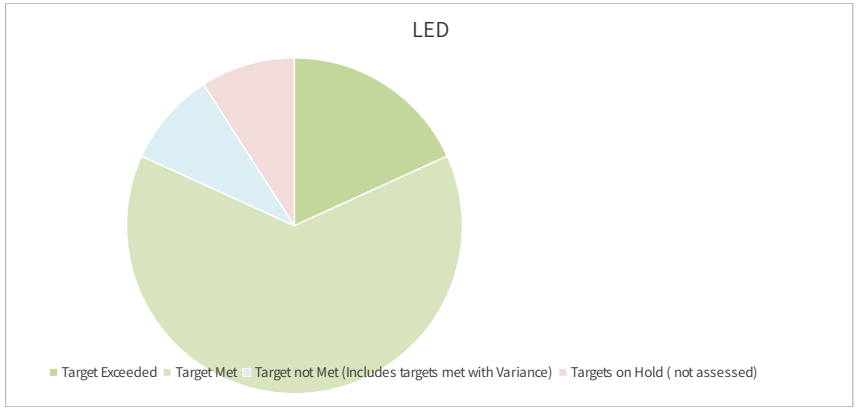


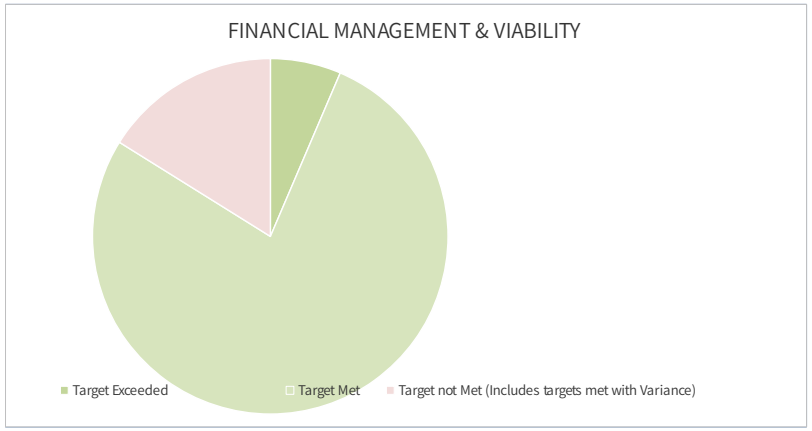
LEGEND:

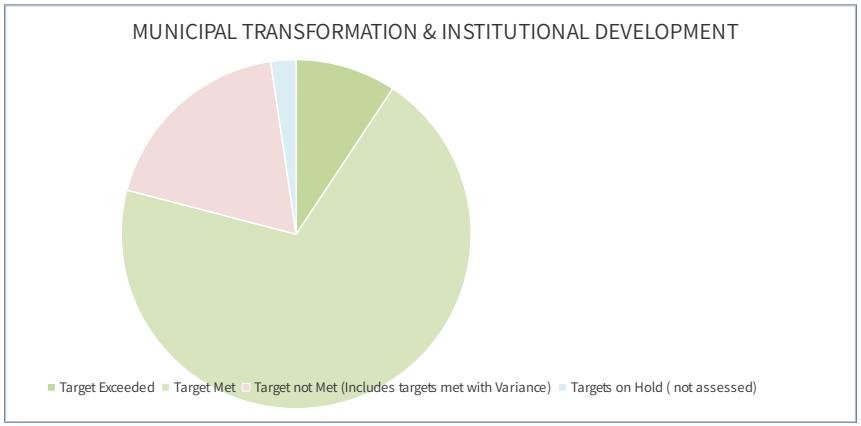
Target exceeded
Target Met
Target not Met (includes Targets met with variances)
Number Targets on Hold/ Not Assessed

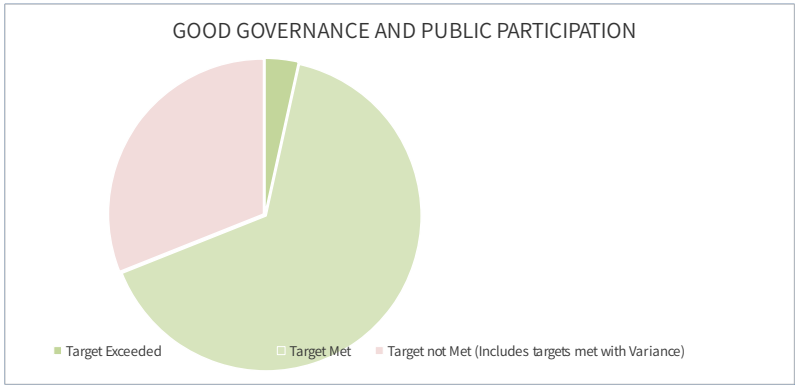
KPA	Total Number of KPI's Per KPA AREA	Number KPI's Exceeding Target	% KPI 'S Exceeding Target	Number KPI's Meeting Target	% KPI 'S Meeting Target	Number of KPI's Not Achieved	% of KPI's Not Achieved	Number Targets on Hold/ Not Assessed	Percentage Targets on Hold/ Not Assessed
Service Delivery	117	16	13.68%	47	40.17%	47	40.17%	7	5.98%
LED	11	2	18.18%	7	63.64%	1	9.09%	1	9.09%
Financial Viability	31	2	6.45%	24	77.42%	5	16.13%	0	0.00%
Municipal Transformation & Development	43	4	9.30%	30	69.77%	8	18.60%	1	2.33%
Good Governance & Public Participation	29	1	3.45%	19	65.52%	9	31.03%	0	0.00%
TOTAL	231	25	10.82%	127	54.98%	70	30.30%	9	3.90%


SERVICE DELIVERY
Target Exceeded
Target Met
Target not Met (Includes targets met with Variance)


LED
Target Exceeded
Target Met
Target not Met (Includes targets met with Variance)
Targets on Hold (not assessed)


FINANCIAL MANAGEMENT & VIABILITY
Target Exceeded
Target Met
Target not Met (Includes targets met with Variance)


MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT
Target Exceeded
Target Met
Target not Met (Includes targets met with Variance)
Targets on Hold (not assessed)


GOOD GOVERNANCE AND PUBLIC PARTICIPATION
Target Exceeded
Target Met
Target not Met (Includes targets met with Variance)

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT													
							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To effectively manage the adherence of traffic rules within the municipality / To ensure that the traffic section operates effectively and efficiently	TRAFFIC - BSD01	BDS01-01	Number of Registered and Licensed of Vehicles	2014/2015 Reports	Updated E Natis System / Face values	Number of monthly reports on registered and licensed vehicles / Increased number of legally compliant registered vehicles	12 Monthly Reports on Registered and Licensed Vehicles	Target met. The reports were submitted to scheduled Standing Committee Meetings. Vehicles were registered. The report for May 2015 was submitted to the finance standing on the 19th of June 2015 and 33 vehicles were registered. The report for June 2015 will be submitted to the finance standing committee on the 21st of July 2015 and 32 vehicles were registered.	12 Monthly Reports on 137 Registered and 2334 Licensed Vehicles	Target met - **notwithstanding overall the number of Registered and Licensed Vehicles was exceeded - 448 vehicles were Registered and 2934 vehicles were Licensed Vehicles .**	Review the target in terms of the number of reports to be tabled considering (recess issues and MFMA - s52 (d)) - Whilst the target was met in terms of terms of the MFMA S 52(d), a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the performance /budget and the financial state of affairs of the municipality; it would appear that a Variance occurred as result of the way the target was constructed /crafted on the SDBIP in terms of Variance to timeframes (other factors beyond the control of target holder to be considered). The target requires to constructed more specifically (smartly) **so as determine the intent/purpose /of what is required to be achieved**. Phrasing /Setting Reporting on targets must be in line with the intent of what the target is trying to achieve i.e. reporting is a monitoring tool it consists of monthly reports but the target should include the overall purpose of what the target is trying achieve i.e. statistics - Reporting must be consolidated to reflect overall statistics numbers of vehicles registered and licensed achieved - by Quarter 4 - June 2016 .To be considered too when crafting the target are the circumstances/constraints /factors beyond the target holders , currently the statistics for a specific quarter are accounted for in another quarter as result of the reporting that is rolling over into other quarters, this occurs consistently from Q2 onwards. Standing Committee are often held at the beginning of a respective and as result of this the statistical information for the last month of the respective quarter can only be done towards the end of the month and as result the report will be done but only tabled in the next quarter). The reporting on Traffic statistics are in line with Department of Transport statutory requirements.	Q1 -The reports (July , August and September 2015) were tabled to the finance standing committee on 21 August 2015 (Q1 - 109 vehicles registered). Q2- The reports (October 2015 and November 2015) were tabled to the finance standing committee on 19 November 2015 (Q2 - 63 vehicles registered). Noted the November 2015 and December 2015 report rolled over to Q3 this due to no fault of the target holder as the council went into recess in December 2015 through to January 2016. Q3 - The reports January 2016 up to February 2016 inclusive of November 2015 and December 2015 (Q2 reports) were tabled to the finance standing committee on 16 February 2016. The March 2016 (Q3 report was tabled in Q4 in April 2016 (Q3 - vehicles registered vehicles ,licensed)Q4 - The reports were tabled to the finance standing committee on 20 July 2016. (Q4 - vehicles registered vehicles ,licensed.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To effectively manage the adherence of traffic rules within the municipality / To ensure that the traffic section operates effectively and efficiently	TRAFFIC - BSD01	BSD01-02	Number of Learners and Drivers Tested	2014/2015 reports on 168 learners tested and 873 drivers license tested	CFO/ Registered Traffic Officers / E Natis / Face Values	Testing for Learners and Drivers Licenses / Increased numbers of legally registered drivers within the municipality	12 Monthly Reports on Registered and Licensed Vehicles	Target met	12 Monthly reports on 336 learners and 872 drivers tested for licenses	Target met - Notwithstanding that **overall the target in terms of the numbers of Registered and Licensed Vehicles was exceeded - 545 learners tested and 2773 drivers tested for licenses.**	Review the target in terms of the number of reports to be tabled considering (recess issues and MFMA - s52 (d)) Whilst the target was met in terms of terms of the MFMA S 52(d), a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the performance /budget and the financial state of affairs of the municipality; **it would appear that a Variance occurred this only as result of the way the target was constructed on the SDBIP in terms of number and in terms of tabling of reports** - rolling over to other quarters - (factors that were beyond the control of target holder to be considered) in terms of the Standing Committee are often held at the beginning of a respective month and as result of this the statistical information for the last month of the respective quarter can only be done towards the end of the month and as resulting in a rollover to the next quarter). The reporting on Traffic statistics are in line with Department of Transport statutory requirements. During the following FY the target will be reviewed in respect of the number of reports submitted to SC during the affected quarter/s these will be reduced and or increased and placed in correct quarters i.e. the targets affected by extenuating factors.	Q1 - 3 Reports inclusive statistics were tabled to the finance standing Committee that sat on 21 August 2015, 15 September 2015 & 14 October 2015.Noted - in **Q2 council went into recess during December 2015 through to January 2016 and therefore no standing committees are scheduled to sit during this period**. Q2 1 report was tabled to the Finance SC . Q3 -3 reports were tabled to the Finance SC . (including the December 2015 report for Q2) Noted the report for March 2016 rolled over and was tabled to the finance standing committee on the 12th of April 2016. Q4 In Q4 Reports tabled in July 2016 to the Finance SC

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To effectively manage the adherence of traffic rules within the municipality / To ensure that the traffic section operates effectively and efficiently	TRAFFIC - BSD01	BDS01-03	Number of reports on Vehicles tested for Roadworthiness in Barkly East	2014/2015 Reports	Certified Testing Station / E Natis / Face Value	Number of monthly Reports on Roadworthy Testing of Vehicles/ Improved number of roadworthy vehicles/ Improved no of legally complaint registered vehicles	12 Monthly Reports on Roadworthy Testing of Vehicles	Target not met variance - Reports were submitted to the scheduled Standing Committees - no testing could be done as the testing station was under renovation during the during the 2014/2015 FY.	12 Monthly Reports on Vehicles tested for Roadworthiness in Barkly East	Target met with variances (Timeframe and number of reports tabled) Overall a total of 32 vehicles were tested in 2015/2016 financial year.	The VTS is not operational due to delays of the prescripts from the Department of Transport in being able to validate that the VTS meets all the requirement.	Q1 variance of 2 reports (tabled to the finance standing committee on the 14th of October 2015) . Q2 The report proposing the pricing schedule of the vehicle testing centre was submitted to the Finance standing committee on the 19th of November 2015 and was planned to be tabled to Council on the 4th of December 2015.Q3 During February 2016, 4 vehicles were tested and 3 vehicles were roadworthy. During March 2016, 7 vehicles were tested and 5 were roadworthy. The pricing schedule of the vehicle testing station was approved by council on the 4th of December 2015. No vehicles were tested during January 2016.
		BDS01-04	Number of reports Road Offense Tickets issued	New Indicator	CFO/ Ticket Books/ Traffic Patrol Officers/ Speed Equipment	Road Offense Traffic Issued / Improved adherence to traffic rules	No target in 2014/2015	No target in 2014/2015	12 Monthly Reports on Road Offense Tickets issued	Target Met - 167 road offence tickets were issued.		Q1 3 Reports inclusive of statistics tabled to the Finance SC which sat on 21 August 2015, 15 September 2015 and 14 October 2015. Statistics - Q1 58 road offense tickets were issued. In Q2 the October 2015 report was tabled to the finance standing committee on the 19th of November 2015. In Q2 12 road offense tickets were issued. The report for November 2015 , December 2015 and January 2016 tabled to the finance standing committee on the 16th of February 2016. Statistics In December 2015, 19 road offense tickets were issued. During January 2016, 14 road offense tickets were issued. During February 2016, 8 road offense tickets were issued. During March 2016, 11 road offense tickets were issued. The report for February 2016 tabled to the finance standing committee on the 18th of March 2016. The report for March 2016 tabled to the finance standing committee on the 12th of April 2016.In Q4 Reports tabled in July 2016 to the Finance SC - 45 road ticket offences issued.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT													
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To maintain and upgrade existing access roads and stormwater - To provide sustainable infrastructure development by building and maintaining access roads, bridges and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	BSD 02-01	Resurfacing of the Lady Grey roads (Church Street, Murray Street up to Joubert intersection, Bunnettt Street, Joebert Street & Martin Street)	Not maintained	Director Development & Town Planning Services/ PMU Manager/ R 10 500 000	Maintained road infrastructure - Extended life of access roads within the Senqu Municipality	220 km (If maintenance only) and 18 km if construction / rehabilitation (R76 800)	Target not met	100% Completion of all streets (1,324m)	Target met	None	In Q1 the Construction was in progress (28 %). Reports were submitted to the Standing Committee. In Q2 the streets (as per target) are in the final stage of completion. The snag list completed by end February 2016. Reporting to be addressed required to be more specific to provide a objective assessment (all streets are in the final stage of completion vs 100% as per target).
		BSD 02-02	Potholes repaired in Graham street	Ongoing	Director Technical/ R 201 734	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	220 km (If maintenance only) and 18 km if construction / rehabilitation (R76 800)	Target Exceeded by 16212 - variances to the target. Total potholes repaired Km= 18212	347 Pothole repairs	Target exceeded by 7 potholes - 354 were potholes repaired	None	In Q3 the completion Certificate was submitted on 23 March 2016. In Q4 The project has been completed as per specifications.
		BSD 02-03	Maintenance of the road in ward 7	Not maintained	Director Technical/ R 43 070	Maintained road infrastructure- Extended life of access roads within Senqu Municipality	Construction of access roads in Wards 7, 8 9 & 12 (Phase 4C) Construction of 12 km of gravel access roads	Target Met	4. 810 km	Target exceeded There were more roads on the assets register than planned. 7,307 km road maintained in Ward 7	Assets register to be corrected	There were more roads on the assets register than planned. 7,307 km road maintained in Ward 7 in Q 1, there was no target set for Q2, Q3 and Q4.
		BSD 02-04	Maintenance of the road in ward 8	Non maintained	Director Technical/ R 43 071	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	Construction of access roads in Wards 7, 8 9 & 12 (Phase 4C) Construction of 12 km of gravel access roads	Target Met	4.710 km	Target met with variance 0,02 km. There were less roads on the assets register than planned. 4.69 km maintained in Ward 8	Assets register to be corrected - Target to be verified against register prior to construction	There were less roads on the assets register than planned. 4.69 km maintained in Ward 8
		BSD 02-05	Pothole Repairs Sterkspruit - Moghesi	Ongoing	Director Technical/ R 316 000	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	Not a specific target in 2014/2015 -**the previous FY (The was Targets was combined** - with Number of km's of municipal access roads resurfaced, potholes repaired and bladed - 220 km (If maintenance only) and 18 km if construction / rehabilitation. In the previous Financial year no specific target for potholes the target was combined with BSD 02 01 one "broad" target set	Target met with a variance 16212 - Total potholes repaired Km= 18212	912 Pothole repairs	Target met with variance - 105 potholes - 807 potholes repaired	Necessary veriment concluded during the financial year (budget Adjustment period)	Challenges during Q2 - (58% - 133 out 228 potholes repaired)Inclement weather conditions and insufficient Budget. In the previous Financial year no specific target for potholes the target was combined with BSD 02 01 one "broad" target set

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STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To maintain and upgrade existing access roads and stormwater - To provide sustainable infrastructure development by building and maintaining access roads, bridges and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	**BSD 02-06**	Pothole Repairs Sterkspruit - Don Tsembeyi & Zwelitsha Streets	Ongoing	Director Technical/ R 130 000	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	Not a specific target in 2014/2015 -**the previous FY (The was Targets was combined** - with Number of km's of municipal access roads resurfaced, potholes repaired and bladed - 220 km (If maintenance only) and 18 km if construction / rehabilitation	Target met with a variance 16212 - Total potholes repaired Km= 18212	376 potholes repaired	Target Exceeded by 110 potholes - 486 potholes were repaired	None - other than noting that the target was exceeded as a result of extenuating circumstances - rain and poor road surfaces there were more potholes that were required to be repaired then planned	In the previous financial year this target was set as general target and combined with BSD 02 01 - 220 km (If maintenance only) and 18 km if construction / rehabilitation
		BSD 02-07	Pothole Repairs Sterkspruit - Empilisweni & Van Tonder Streets	Ongoing	Director Technical/ R 222 191	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	Not a specific target in 2014/2015 -**the previous FY (The was Targets was combined** - with Number of km's of municipal access roads resurfaced, potholes repaired and bladed - 220 km (If maintenance only) and 18 km if construction / rehabilitation	Target met with a variance 16212 - Total potholes repaired Km= 18212	640 pothole repairs	Target met with a variance 191 potholes . 449 potholes were repaired.	The quarterly target were set at 160 per quarter - During Q1 there budget constraints which delayed the progress. Target was rolled over to quarter 2 - In Q2 - 250 potholes were repaired 90 more than the target set - however overall Q1 and Q2 there was shortfall of 70 potholes. Q3. It was noted that in Q4 the road was still in good conditions so less potholes occurred. The delays overall were attributed to budgetary constraints and the rainfall season and the poor road surfaces	In the previous financial year this target was set as general target and combined with BSD 02 01 - 220 km (If maintenance only) and 18 km if construction / rehabilitation
		BSD 02-08	Maintenance of the road in Ward 9	0 maintenance - court interdict against the Contractor for using the borrow pit this however did not affect Senqu LM 's progress in relation to the project.	Director Technical/ R 131 270	All planned access roads constructed by 30 June 2014	Construction of access roads in wards 7, 8, 9 & 12 (Ph 4c). Construction of 12 km of gravel access roads.	Target Exceeded. Target met in quarter three (Q3) the project was 100 % Completed - retention period released and retention submitted for payment three	21.274 Km of road maintained in Ward 9	Target Exceeded by 8,236 km. - 29.51 Km was Maintained in Ward 9	Assets register to be adjusted	There were more roads on the assets register than planned. In the previous financial year - target was BSD 02-04 - Construction of access roads in wards 7, 8, 9 & 12 (Ph 4b) - Challenges experienced during the previous FY the Traditional Authority had a court interdict against the Contractor working on the project Ward 9 for using the borrow pit this however did not affect Senqu LM 's progress in relation to the project.

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To maintain and upgrade existing access roads and stormwater - To provide sustainable infrastructure development by building and maintaining access roads, bridges and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	BSD 02-09	Maintenance of roads in Ward 1	0 maintenance	Director Technical/ R34 470	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	Construction of 4 km of gravel roads in Ward 1 (BSD 02-11)	Target Met in Q2 (practical completion - retention is required to held for a stipulated period normally one year)	3 km	Target exceeded by 2,533km - 5,533 km maintained in ward 1	Assets register to be adjusted	There were more roads on the assets register than planned. Conflicting information regards the length /km documented in Roads Master Plan vs Roads Service Maintenance Plans vs the Assets Register.
		BSD 02-10	Maintenance of roads in Ward 2	0 maintenance	Director Technical/ R35 070	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	No target in 2014/2015	No target in 2014/2015	4 km	Target met - 3,936 Km maintained - in ward 2 (the Road only measured 3,936km)	None other than when the target was constructed it was estimated that the road was 4km - this was due to the road not being reflected on the asset register as a result when measured on completion the road measured 3,936km therefore small variance of 0,064km is reflected against target set (estimation at the time) - The asset register must be updated /Adjusted accordingly	The Road measured - 3,936 Km and 3,936 km was maintained - in ward 2. The Asset / Road Cannot be lengthen road as not on assets register (There are Roads not reflected on the Asset register)
		BSD 02-11	Maintenance of roads in Ward 3	0 maintenance	Director Technical/ R 43 070	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	Construction of 4 km of gravel access roads in Ward 3	Target not met.	4 km	Target exceeded by - 0,975 km - 4.975 km maintained in Ward 3	Assets register to be adjusted	There were more roads on the assets register than planned

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To maintain and upgrade existing access roads and stormwater - To provide sustainable infrastructure development by building and maintaining access roads, bridges and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	BSD 02-12	Maintenance of roads in Ward 4	0 maintenance	R 43,000	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	Construction of 4 km of gravel access roads in Ward 4	Target not met.	4 km	Target met - 3,983 km maintained in ward 4 - (the Road only measured 3,983km)	None other than when the target was constructed it was estimated that the road was 4km - this was due to the road not being reflected on the asset register as a result when measured on completion the road measured 3,983km therefore small variance of 0,017km is reflected against target set (estimation at the time) - The asset register must be updated accordingly/Adjusted	The Road measured - 3,983 Km and 3,983 km was maintained Cannot lengthen road as not on assets register.
		BSD 02-13	Maintenance of roads in Ward 5	0 maintenance	R 43,070	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	No target in 2014/2015	No target in 2014/2015	4 km	Target met - 3,293 km maintained in ward 5 (the Road only measured 3,293km)	None other than when the target was constructed it was estimated that the road was 4km - this was due to the road not being reflected on the asset register as a result when measured on completion the road measured 3,293km therefore small variance of 0,707km is reflected against target set (estimation at the time) - The asset register must be updated /Adjusted accordingly	The Road measured - 3,293 Km and 3,293 km was maintained Cannot lengthen road as not on assets register.
		BSD 02-14	Maintenance of roads in Ward 6	0 maintenance	R 43,070	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	No target in 2014/2015	No target in 2014/2015	4 km	Target exceeded -by 0,201 km - 4,201 km maintained in ward 6.	None other than - The asset register must be updated /Adjusted accordingly	The Road measured - 4,201 Km and 4,201 km was maintained Cannot lengthen road as not on assets register.
		BSD 02-15	Maintenance of roads in Ward 10	0 maintenance	R 43,070	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	No target in 2014/2015	No target in 2014/2015	4.810 km	Target met with a variance of 1,162km - 3.648 km maintained in Ward 10	Assets register to be adjusted	The Road measured - 3,648 Km and 3,684 km was maintained Cannot lengthen road as not on assets register. There were less roads on the assets register than planned.
		BSD 02-16	Maintenance of roads in Ward 11	0 maintenance	R 50,070	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	No target in 2014/2015	No target in 2014/2015	4 km	Target exceeded by - 2,34km - 4,234 km maintained in ward 11	The road on the asset register is incorrectly reflected and a adjustment to the asset register is required	Roads in the assets register were more than estimated

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To maintain and upgrade existing access roads and stormwater - To provide sustainable infrastructure development by building and maintaining access roads, bridges and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	**BSD 02-17**	Maintenance of roads in Ward 12	0 maintenance	Director Technical/ R43 070	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	2 targets combined with other wards - Construction of access roads in wards 7, 8, 9 & 12 (Ph 4b). Construction of 12 km of gravel access roads. Construction of access roads in wards 7,8,9 & 12 (Ph 4c)	Target Met - (Ph 4b) and (Ph 4c). Target was exceeded	4 km	Target exceeded by 1,591km - 5,591 km maintained in ward 12. Achieved - 139,77%	Assets register to be adjusted	Q2- Roads on the assets register were more than estimated.
		BSD 02-18	Maintenance of roads in Ward 13	0 maintenance	Director Technical/ R68 870	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	No target in 2014/2015	No target in 2014/2015	4 km	Target exceeded by 6,701km - 10,701 km maintained in ward 13.Achieved 267,52%	Assets register and Roads Service Master Plant be adjusted	The rural roads (ward 13 villages) were estimated to be 20km and registered as such in the Roads Service Master Plan. The target for 2015/2016 was set to maintain 4 km of the roads in Ward 13 - The assets register reflects 4km on completion the Road was measured to be 10,701 km and 10,701 km was maintained
		BSD 02-19	Maintenance of roads in Ward 15	0 maintenance	Director Technical/ R43 070	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	No target in 2014/2015	No target in 2014/2015	4 km	Target met with variance with a small variance 0,226 km -- 3,774 km maintained in ward 15.-	Assets register to be adjusted	
		BSD 02-20	Maintenance of roads in Ward 17	0 maintenance	Director Technical/ R43 070	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	No target in 2014/2015	No target in 2014/2015	4 km	Target exceeded by 2,773km - There were more roads on the assets register than actually planned. 6,773 m maintained in Ward 17	Assets register to be adjusted	Roads in the assets register were more than estimated/ actually planned.
		BSD 02-21	Maintenance of roads in ward 14	Partial maintenance done 2 years ago	Director Technical/ R450 750	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	No target in 2014/2015	No target in 2014/2015	10.580 km	Target exceeded by 1,608km.12,188 km maintained in Ward 14.	None - noted that as a result of adverse whether conditions additional/emergency maintenance was required to be carried out	Q1 and Q2 no targets were set. Q3, 7,670 km maintained in Ward 14. Due to rain additional /emergency maintenance was carried out . In Q4 4,518 km maintained in Ward 14, The Roads Team was based in Lady Grey which contributed to saving on traveling time and which allowed for maintenance work to be carried out on the roads in ward 14 .

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To maintain and upgrade existing access roads and stormwater - To provide sustainable infrastructure development by building and maintaining access roads, bridges and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	BSD 02-22	Potholes repaired in De Smidt street	Ongoing	Director Technical/ R 336 641	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	Not a specific target in 2014/2015 -**the previous FY (The was Targets was combined** - with Number of km's of municipal access roads resurfaced, potholes repaired and bladed - 220 km (If maintenance only) and 18 km if construction / rehabilitation	Target met with a variance 16212 - Total potholes repaired Km= 18212	700 Pothole repairs	Target met with variance of 329. Pothole repairs are demand driven and can only be repaired if they exist - 371 Pothole repairs were carried out.		371 Pothole repaired in Q1 and 175 Potholes repaired in Q2 Total of 546 potholes achieved as per annual target. No targets were set for Q3 and Q4.
		BSD 02-23	Molteno Potholes Repaired	Ongoing	Director Technical/ R 143 284	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	Not a specific target in 2014/2015 -**the previous FY (The was Targets was combined** - with Number of km's of municipal access roads resurfaced, potholes repaired and bladed - 220 km (If maintenance only) and 18 km if construction / rehabilitation	Target met with a variance 16212 - Total potholes repaired Km= 18212	333 Potholes repaired	Target exceeded by 15 potholes - this was due to rain and poor road surfaces and as result more potholes occurred and were required to be repaired . 348 Potholes repaired		No targets were set for Q1 and Q2 and Q4. In Q3 Due to rain and poor road surface more potholes occurred. 348 Potholes repaired.
		BSD 02-24	Dale Potholes Repaired	Ongoing	Director Technical/ R212 626	Maintained road infrastructure- Extended life of access roads within the Senqu Municipality	Not a specific target in 2014/2015 -**the previous FY (The was Targets was combined** - with Number of km's of municipal access roads resurfaced, potholes repaired and bladed - 220 km (If maintenance only) and 18 km if construction / rehabilitation	Target met with a variance 16212 - Total potholes repaired Km= 18212	470 potholes repaired	Target exceeded by 5 potholes- More potholes occurred because of poor road surface. 475 repairs were carried out		No targets were set for Q1 and Q2 and Q3. In Q4 more potholes occurred because of poor road surface and 475 potholes were repaired.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT													
							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To maintain and upgrade existing access roads and stormwater - To provide sustainable infrastructure development by building and maintaining access roads, bridges and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	BSD 02-25	Number of km's of stormwater drainage cleaned	Continuous blocking	Plant and staff & maintenance budget R 60 000	200 kilometres of stormwater drainage maintained-Extended life of access roads within the Senqu Municipality	Maintain and construct 200 km Stormwater drainage	Target Exceeded overall by 142.492km	200 kilometres of stormwater drainage maintained - Extended life of access roads within the Senqu Municipality	Target exceeded by 315,69km - Stormwater drainage cleaned - 515.694 kilometres		73.234 km of storm water drainage was cleaned during the quarter 1. 132.73 km stormwater drainage was cleaned during the quarter 2.Q3 116 km of storm water drainage was cleaned. In Q4 168,13km of storm water drainage was cleaned.
		BSD 02-26	Construction of access roads and Stormwater in ward 3	Backlog of over 570 km	Director Development and Town Planning Services/PMU Manager/ Capital budget: R 2 726 521	Construction of 4 kms of gravel road-Access to services	Construction of 4 km of gravel access roads in Ward 3	Target not met.	Construction of 4 kms of gravel road-access to services	Target met		The project is completed. One year Guarantee (retention phase - portion project value is retained for any snags identified during such time)
		BSD 02-27	Construction of access roads and Stormwater in ward 4	Backlog of over 570 km	Director Development and Town Planning Services/PMU Manager/ Capital budget: R 3 103 809	Construction of 4 kms of gravel road-Access to services	Construction of 4 km of gravel access roads in Ward 4	Target not met.	Construction of 4 kms of gravel road	Target met		The project is completed. One year Guarantee (retention phase - portion project value is retained for any snags identified during such time)

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To maintain and upgrade existing access roads and stormwater - To provide sustainable infrastructure development by building and maintaining access roads, bridges and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	**BSD 02-28**	Construction of roads and Stormwater in ward 17	New Indicator	Director Development and Town Planning Services/PMU Manager/ Capital budget: R 500 000	Construction of 5.5 km of interlock paved roads with stormwater channel constructed - Improved access to services	No target in 2014/2015	No target in 2014/2015	Construction of 5.5 km of interlock paved roads with the stormwater channel	On hold/ no funding	Ward 17 project **was withdrawn** in the IDP & Budget steering committee in Q4 due to changes in priorities.	Q1- Tender notice was advertised notice no 126/2015 and the consultant was appointed Q2 -During October and November designs were finalised. Site briefing was held on the 9th and the 10th of Dec for the project. Q3-Tender was awarded on 18 March 2016.in Q4 the project was withdrawn by the IDP& Budget steering committee due to changes in priorities.
		BSD 02-29	Construction of roads and Stormwater in ward 18	New Indicator	Director Development and Town Planning Services/PMU Manager/ Capital budget: R 500 000	Construction of 5.5 km of interlock paved roads with stormwater channel constructed - Improved access to services	No target in 2014/2015	No target in 2014/2015	Construction of 5.5 km of interlock paved roads with the stormwater channel	On hold/ no funding	Ward 18 **project was withdrawn** in the IDP & Budget steering committee in Q4 due to changes in priorities.	Q1- Tender notice was advertised notice no 126/2015 and the consultant was appointed Q2 -During October and November designs were finalised. Site briefing was held on the 9th and the 10th of Dec for the project. Q3-Tender was awarded on 18 March 2016.in Q4 the project was withdrawn by the IDP& Budget steering committee due to changes in priorities.
		BSD 02-30	Construction of a pedestrian bridge in Upper Bebeza (Ward 5) (Mabele	New Indicator	Director Development and Town Planning Services/PMU Manager/ Capital Budget: R 202 510 MIG	Pedestrian Bridge Constructed -Improved access to services	One bridge constructed (BSD 02-12)	Target Met . Construction of a bridge in Upper Bebeza (Ward 5)completed -in retention phase. Noted : The contractor was over paid , the overpayment was recovered through the next project by utilizing same overpayment in respect of the retention payment	1 Pedestrian Bridge Constructed (Mabele)	Target met - EIA complete	None	Noted that there 2 pedestrian Upper Bebeza (Ward 5) one was completed in 2014/2015 FY .This is the second pedestrian Bridge in Upper Bebeza (Ward 5) Mabele .Q1-Tender notice was advertised notice no 128/2015. Q2-The EIA is underway still waiting correspondence from DEDEAT for application processing. In Q - 4 the EIA application approved .

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT													
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To maintain and upgrade existing access roads and stormwater - To provide sustainable infrastructure development by building and maintaining access roads, bridges and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	BSD 02-31	Construction of paved roads & stormwater channels in Herschel (Ward 11)	New Indicator	Director Development and Town Planning Services/PMU Manager/ Capital Budget: R 1 000 000 MIG	Construction of interlock paved roads with the stormwater channel- Improved access to services	No target in 2014/2015	No target in 2014/2015	Construction of interlock paved roads with the stormwater channel (Procurement for consultant by Q3 and Q4 Advertise for a contractor)	Target met	None	Q3-Tender was awarded on 18 March 2016 - Q4 advertised for the contractor and contractor procured.

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To maintain and upgrade existing access roads and stormwater - To provide sustainable infrastructure development by building and maintaining access roads, bridges and stormwater	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	BSD 02-32	Construction of paved roads & stormwater channels in Tienbank - ward 10	New Indicator	Director Development and Town Planning Services/PMU Manager/ Capital Budget: R 1 000 000 MIG	Construction of interlock paved roads with the stormwater channel- Improved access to services	No target in 2014/2015	No target in 2014/2015	Construction of interlock paved roads with the stormwater channel	Target met	None	Q3-Tender was awarded on 18 March 2016 - Q4 advertised for the contractor and contractor procured.
		BSD 02-33	Bridge Boomplaas Ward 4 (R2 320 000)	New Indicator	Director Development and Town Planning Services/PMU Manager/ Capital Budget: R 2 320 000	Construction of Bridge Boomplaas Ward 4- improved access to services	One bridge constructed	Target Met . Construction of a bridge in Upper Bebeza (Ward 5) in practical completion and on retention phase	Construction of Bridge Boomplaas ward 4	Target met	None	Q3-Tender was awarded on 18 March 2016 - Q4 advertised for the contractor and contractor procured.
		BSD 02-34	Culvert crossing ward 3 (R740 000)	New Indicator	Director Development and Town Planning Services/PMU Manager/ Capital Budget: R 740 000	Construction of culvert crossing ward 3-improved access to services	Construction of a Box Culvert River Crossing at Hohobeng (Ward 3) - 1 Box Culvert River Crossing Constructed	Target not met as planned, in progress - The Construction : is in progress the Box Culvert River crossing as at 30 June 2015 was reflected at 57.78%.at 57.78 % complete.	Construction of culvert crossing ward 3	Target met	None other than to note that this target (in terms of milestones) was initially overlooked in the SDBIP and it was later re - constructed and corrected during the amendment phase .The actual performance and completion was planned for in Q1 - September 2015.	Q3-Tender was awarded on 18 March 2016 - Q4 advertised for the contractor and contractor procured.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
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To provide and maintain community facilities -to ensure effective management of infrastructure and facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES - BSD03	**BSD03-01**	Construction of an Indoor Recreational Community Facility in ward 9	New Indicator	Director Development and Town Planning Services/PMU Manager/ Capital budget: R 3 900 000	Construction of facility complete-Improved Ward Consultation in the Municipality	Construction of an indoor recreation community facility construction in Ward 9 (Ngquba)	Target not met	1 Indoor Recreation Community Facility constructed in ward 9	Target not met (variances - progress acknowledged)	The Contractor is not adhering to construction program. Fencing 0% Pavement 0% Electricity 50% Brickwork 90% Windows 95% Screed 35% Floor Tiles 0% Paint 0% Sewer system 50% Cladding, Facial boards 50% Roofing 95% **Intervention mechanism have been instituted.**	Q1-Construction is at 23.79% and reports have been submitted Q2-Construction up to window seal level has been achieved. Q3-Construction (Super structure completed & Roofing - trusses will be erected) - The expenditure on the project to date is standing at 78% and all projected milestones for the quarter have been met. Q4 Project not completed.
		BSD03-02	Construction of an Indoor Recreational Community Facility in ward 12	New Indicator	Director Development and Town Planning Services/PMU Manager/ Capital budget: R 3 580 000	Construction of facility complete-Improved Ward Consultation in the Municipality	1 Indoor Recreation Community Facility constructed in ward 12 (Magadla)	Target not Met (notwithstanding progress is acknowledged)	1 Indoor Recreation Community Facility constructed in ward 12	Target met project is 100% complete	None	Q1-Construction is at 35;29% and reports have been submitted Q2-Construction up to the super structure window seal level has been done the progress now is at 89% for brickworks Q3-The expenditure on the project to date is standing at 78% and all projected milestones for the quarter have been met. Q4 100% complete all quarterly milestones met.
		BSD03-03	Construction of an Indoor Recreational Community Facility in ward 18	New Indicator	Director Development and Town Planning Services/PMU Manager/ Capital budget: R3 273 000	Construction of facility complete-Improved Ward Consultation in the Municipality	Construction of an indoor recreational community facility in Ward 18 (Silindini)	Target not met as planned - Construction: is at 5.45% (progress is acknowledged)	1 Indoor Recreation Community Facility constructed in ward 18	Target met - Project completed	None	Q1-Construction is at 47.48% and reports have been submitted Q2-Target proceeding well toward completion; the contractor requested extra 10 working due to December holidays, the revised completion date is 08 January 2016. Q3-The project is completed and the certificate was issued on 29 February 2016. Q4 - Project completed Note: this does not part of the project terms of reference - funding was available for the contractor to do the Electricity installation connection - procurement procedures will be followed in terms of this aspect.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To provide and maintain community facilities -to ensure effective management of infrastructure and facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES - BSD03	**BSD03-04**	Renovate Transwilger Indoor Recreational Community Facility	Infrastructure dilapidated	Director Development and Town Planning Services/PMU Manager/ Maintenance budget: R2 200 000	Renovate facility- Ensure asset lifespan	Renovate Transwilger Indoor Recreational Community Facility	Target not met	Renovate Transwilger Indoor Recreational Community Facility	Target not met The repairs have not commenced yet due to the delays encountered and the project had to be re advertised.	Budgetary constraints as a result of the Insurance claim being repudiated - The project required to be funded internally - In Q4 the repairs did not commenced and the project was re-advertised, and in the process of being adjudicated.	Q1-Tender was advertised, notice no 181/2015 . Q2- The consultants have been appointed . Q3 Insurance repudiated claim - funds had to be sourced internally. In the previous financial year the KPI was BSD 03-05
		BSD03-05	Renovate Lady Grey Indoor Recreational Community Facility	Infrastructure dilapidated	Director Development and Town Planning Services/PMU Manager/ Maintenance budget: 0	Renovate facility- Ensure asset lifespan	Renovate Lady Grey Indoor Recreational Facility	Target not met (issues with the bill of quantities - unforeseeable cost likely to be incurred during the contract resulted in - Insufficient funding - Tender was Withdrawn as a result of the costs . The project to be carried over to the next financial year)	Lady Grey Indoor Recreation Community Facility renovated	On hold/ no funding	Budget and IDP Committee withdrew this project due to lack of funding	Q1-Tender was advertised, notice no 181/2015. Q2- The consultants have been appointed. Q3-Funds were diverted to Transwilger. The project will be moved to the next financial year. In the previous Financial Year the KPI number was BSD03-06

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To Maintain and effectively monitor Cemeteries-To ensure regular maintenance of cemeteries	CEMETERIES AND PAUPER BURIAL- BSD04	BSD04-01	Number of Burial Plots provided	2014/2015 Reports	Director Community/ Manager Community Services	Reports compiled-Improved Burial of communities	12 monthly reports on burial plots	Target met	12 Monthly Reports on burial plots provided	Target met - 257 burial plots were allocated / provided in the 2015/2016 financial year.	Review the target in terms of the number of reports to be tabled considering (recess issues and MFMA - s52 (d)) Noted Whilst the target was met in terms of terms of the MFMA S 52(d), a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the performance /budget and the financial state of affairs of the municipality; it would appear that a Variance occurred this only as result of the way the target was constructed on the SDBIP in terms of number and in terms of tabling of reports - rolling over to other quarters - (factors that were beyond the control of target holder to be considered) in terms of the Standing Committee are often held at the beginning of a respective month and as result of this the statistical information for the last month of the respective quarter can only be done towards the end of the month and as resulting in a rollover to the next quarter).	Q1-Monthly Reports submitted to the SC - 69 Burial Plots & 1 reservation of a burial plot. Q2-1 Monthly report tabled to SC -54 burial plots provided during Q2. 2 reports Nov and Dec 2015 tabled to SC in Q3 February 2016 (council recess - December 2015 until January 2016.) Q3-Monthly Reports submitted to the SC 78 Burial Plots were provided during said quarter. Q4 a total number of 56 Burial Plots were provided during the quarter as it is highlighted in the monthly reports which are submitted to Standing Committee. In overall 257 burial plots were provided in the 2015/2016 financial year.
		BSD04-02	Rehabilitation of a cemetery in Ward 3 (Qhoboshana)	Existing cemetery flooding & eroding	Director Development and Town Planning Services/PMU Manager Capital Budget: R 1 200 000	Cemetery rehabilitated - Improved Burial of communities	2 Cemeteries developed in Ward 3 (Qhoboshana)	Target not met	1 Cemetery developed in Ward 3	Target met, 100% Completion		Q1-Tender was advertised, notice no 136/2015. Q2-Gabion structures for foundation have been erected. Q3-Construction (Gabion structure erected and stock fence installed) Q4 - project completed
		BSD04-03	Rehabilitation of a cemetery in Ward 3 (Musong)	Existing cemetery flooding & eroding	Director Development and Town Planning Services/PMU Manager/ Capital Budget: R 1 600 000	Cemetery rehabilitated - Improved Burial of communities	2 Cemetery developed in Ward 3 (Musong)	Target not met	1 Cemetery developed in Ward 3	Target met, 100% Completion	None	Q1-Tender was advertised, notice no 140/2015. Q2-Gabion structures for foundation have been erected. Q3-Construction (Gabion structure erected and stock fence installed) Q4 - project completed

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT													
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To Maintain and effectively monitor Cemeteries-To ensure regular maintenance of cemeteries	CEMETERIES AND PAUPER BURIAL- BSD04	BSD04-04	Rehabilitation of a cemetery in Ward 6 (Mlamli)	Existing cemetery flooding & eroding	Director Development and Town Planning Services/PMU Manager/ Capital Budget: R 1 330 000	Cemetery rehabilitated - Improved Burial of communities	1 Cemetery developed in Ward 6	Target not met	1 Cemetery developed in Ward 6	Target met, 100% Completion	None	Q1-Tender was advertised, notice no 132/2015Q2-Q2-Gabion structures for foundation have been erected. Q3-Construction (Gabion structure erected and stock fence Q4 - project completed
		BSD04-05	Fencing of Sterkspruit Cemetery	Infrastructure in need of replacement	Director Community Services/ Manager Community Services/ Capital budget: R 500,000	Maintained cemeteries- Improved Burial of communities	Sterkspruit Cemetery fenced by 30 June 2015	Target not met	Fencing of Lady Grey Cemetery	Target met - completed 100% of fencing	None	Q1-Advert for Consultants achieved - Notice no 181/2015 Q2-Consultants appointed in December 2015. Q3-Commencement of the fencing was delayed by procurement processes - the Contractor procurement was achieved during said quarter . Q4 - project completed .Previous financial year the KPI number was BSD 04-13

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To Maintain and effectively monitor Cemeteries-To ensure regular maintenance of cemeteries	CEMETERIES AND PAUPER BURIAL- BSD04	BSD04-06	Extension of cemetery in Barkly East	Infrastructure in need of replacement	Director Development and Town Planning Services/PMU Manager/ R 900,000	Cemetery size increased-Improved Burial of communities	Extension of cemetery in Barkly East	Target not met	Extension of cemetery	Target not met (variances - progress acknowledged)	Additions required and, deviations and amendments were required to made to said project to ensure completion.	Q1-Construction is at 18% and reports have been submitted. Q2-Palisade fencing have been done and currently on grave markings. Q3-The expenditure on the project to date is standing at 67% and all projected milestones for the quarter have been met. Q4 the project could not be completed - additions and deviations on the project were required
		BSD04-07	Number of cemeteries maintained	2014/2015 Reports	Director Community/ Manager Community Services/ R734 400	Maintained cemeteries- Improved Burial of communities	Number of cemeteries maintained as per plan.	Target met.	12 Reports on Maintained cemeteries	Target met	None other than - Ongoing Vandalism and to note that the Barkly East, Lady Grey and Sterkspruit Cemeteries are reaching full capacity. The target requires review in terms of the number of reports to be tabled considering (recess issues and MFMA - s52 (d))Whilst the target was met in terms of terms of the MFMA S 52(d), a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the performance /budget and the financial state of affairs of the municipality; it would appear that a Variance occurred this only as result of the way the target was constructed on the SDBIP in terms of number and in terms of tabling of reports - rolling over to other quarters - (factors that were beyond the control of target holder to be considered) in terms of the Standing Committee are often held at the beginning of a respective month and as result of this the statistical information for the last month of the respective quarter can only be done towards the end of the month and as resulting in a rollover to the next quarter).	Q1-8 cemeteries are maintained monthly : Steve Tshwete, Khwezi Naledi, Zinyoka, Zola, Rhodes-Zakhele Barkly East Town, Lady Grey Town & Sterkspruit . Q2-8 Cemeteries were maintained -variance of 2 reports (November & December 2015 reports due council recess these were submitted to the February 2016 meeting) 8 Cemeteries maintained : Steve Tshwete, Khwezi Naledi, Zinyoka, Zola, Rhodes-Zakhele Barkly East Town, Lady Grey Town, & Sterkspruit. Masekeleng Village Cemetery the community not using the facility. Zakhele Cemeteries in Rhodes it is noted that extension is required. Q3-9 cemeteries were maintained during the quarter: Steve Tshwete, Khwezi Naledi, Nkululeko old cemetery, Zola, Rhodes-Zakhele Barkly East Town, Lady Grey Town. and the report . Noted challenges with vandalism of fencing at the Barkly East cemetery. Q4 9 cemeteries were maintained : Steve Tshwete, Khwezi Naledi, Nkululeko old cemetery, Zola, Rhodes-Zakhele Barkly East Town, Lady Grey Town. During the month of Dec and Nov 2015 8 Cemeteries maintained - the report for November and December 2015 tabled to sc 16 February 2016. Noted challenges in Barkly East cemeteries is the vandalism of fencing. Lady Grey cemetery reaching its capacity.

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To Maintain and effectively monitor Cemeteries-To ensure regular maintenance of cemeteries	CEMETERIES AND PAUPER BURIAL- BSD04	BSD04-08	Number of pauper burials carried out in a quarter	2014/2015 Reports	Director Community/ Manager Community Services	Burial of individuals certified as paupers in terms of the municipal policy-Dignified burial of the indigent	12 Reports on the burial of paupers	Target not Met.	4 Quarterly Reports on the burial of paupers	Target met	None noted that are done on application /demand driven target	Q1-Two Pauper Burials (Joe Gqabi District Municipality during the month of August 2015; Grave no: A713 and A721. Q2-No pauper burial conducted. 2 indigent burials were done (Rwelane Motlalepula) in October & Indiphile Bongelo in November. - variance of two reports (November and December 2015 due council recess report submitted in February 2016 . Q3-Four Pauper Burials were conducted during the quarter one from Joe Gqabi District Municipality, one from Mqina Family in Ward 01 for the late Nzimakazi Mqina and two from Mdingi family from Ward 04 Mnkunyazo was assisted with coffins for the burial of two children. Q4 no pauper burial was conducted. In overall 06 pauper burials and 02 indigent burials were conducted in the 2015/2016 financial year.

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To maintain and develop sports facilities-to maintain, identify, establish and upgrade existing urban sportsfields	SPORTS BSD05	BSD05-01	Upgrading Sportsfields in Kwa-Gcina	New Indicator	Director Development and Town Planning Services/ PMU Manager/ Capital budget: R2 518 275	Kwa-Gcina sports facilities developed and upgraded- Improved Community participation in Sports activities	No specific target in 2014/2015 related (During pervious FY the target related to Phase 2 development of the Sterkspruit Sportsfield -Installation of Sterkspruit Sportsfield lighting BSD05-01)	No specific target in 2014/2015 related	1 Sportsfield developed (Kwa-Gcina)	Target met with a variance - in Q4 Construction (Foundation of club house and change rooms - was not fully achieved)	Review of tender evaluation for appointment of bidders	Q1-Tender was advertised, notice no 142/2015 and the appointment letter issued. Q2-The design has been approved by the project steering committee. Q3-Top Management's changed the scope of work. The Municipality felt that it didn't make sense to spend millions of rands on a Sportsfield that will cater only for a few communities. Advert prepared /placed March 2016. Q4-Construction (Foundation of club house and change rooms - was not fully achieved)
		BSD05-02	Upgrading Sportsfield in Herschel	New Indicator	Director Development and Town Planning Services/ PMU Manager/ Capital budget: R2 819 775	Herschel sports facilities developed and upgraded- Improved Community participation in Sports activities	No target in 2014/2015	No target in 2014/2015	1 Sportsfield developed	Target met with a variance - in Q4 Construction (Foundation of club house and change rooms - was not fully achieved)	Review of tender evaluation for appointment of bidders	Q1-Tender advertised, notice no 143/2015. Q2-The design approved by the project steering committee. Q3-Top Management's changed the scope of work. The Municipality felt it made no sense to spend millions on a Sportsfield that will cater only for a few communities. Advert was only done in March 2016. Q4-Construction (Foundation of club house and change rooms was not fully achieved)

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT												
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To maintain and develop sports facilities-to maintain, identify, establish and upgrade existing urban sportsfields	SPORTS BSD05	BSD05-03	Number of Sportsfields maintained	2014/2015 Reports on the maintenance of Sportsfields	Director Community/ Manager Community Services	5 Sportsfield maintained -Improved Community participation in Sports activities	No specific target in 2014/2015 related to Number of Sportsfields maintained /5 sportsfields to be maintained (during the previous FY the target related to the Development/ Construction of Barkly East Sportsfield BSD05-02)	No specific target in 2014/2015 related to Number of Sportsfields maintained - Installation of Sterkspruit Sportsfield lighting BSD05-01 - Target met -a variance to timeframe completion certificate was issued in Q4 (target was set to be achieved in Q3) and Development/ Construction of Barkly East Sportsfield BSD05-02)Target met .	12 Monthly Reports on the maintenance of 5 Sportsfields	Target met	None other than - Future proposed Project (by the Directorate) - repair the pavilion wall at the Barkly East Sportsfields - as the Pavilion wall has structural damage at the entrance for the disabled which will be attended to in the next financial year. The Tennis court is corroding and it has been communicated to the contractor to repair it.	Q1-Reports tabled to the SC - Barkly East Sports Field, Khwezi Naledi Sports Field maintained .Q2-Reports tabled to the SC - Barkly East Sports Field, Khwezi Naledi Sports Field maintained. Lady grey , Barkly East and Sterkspruit have caretakers that monitor the Sportsfields. The drought affected the grass and the water restrictions made it impossible to water the sportsfields. 2 Q2 reports tabled with Q3 report due to council recess. Q3-Reports tabled to the SC - Barkly East Sports Field, Khwezi Naledi, Rhodes and Lady Grey Sports Field were maintained Q4-3 Monthly Reports - Barkly East, Khwezi Naledi, Rhodes and Lady Grey and Sterkspruit sport fields were maintained . It has been noted that in Barkly East Sport field the pavilion wall has crakes on the disabled side which will attended to in the next financial year budget. The tennis court is also corroding and it has been communicated to the contractor to repair it.

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To maintain and develop sports facilities-to maintain, identify, establish and upgrade existing urban sportsfields	SPORTS BSD05	BSD05-04	Install Barkly East Sports field lightning	New Indicator	Director Development and Town Planning Services/ PMU Manager/ Capital budget: R1 200 000	Sportsfields lightning installed-Improved lifespan of municipal assets	No specific target in 2014/2015 related to Number of Sportsfields maintained / sportsfields to be maintained (during the previous FY the target related to the Development/ Construction of Barkly East Sportsfield BSD05-02)	No specific target in 2014/2015 related to Number of Sportsfields maintained - Installation of Sterkspruit Sportsfield lighting BSD05-01 - Target met -a variance to timeframe completion certificate was issued in Q4 (target was set to be achieved in Q3)and Development/ Construction of Barkly East Sportsfield BSD05-02)Target met .	Sportsfields lightning installed - (Procurement for consultant)	Target met	None other than to note that this target (in terms of milestones) was initially overlooked in the SDBIP and it was later re - constructed and corrected during the adjustment / amendment phase .The actual performance and completion was planned for in Q1 - September 2015.	

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To provide reading and study material - To provide library services to all residents	LIBRARIES – BSD06	BSD06-01	Signing of the SLA with DSRAC	2014/2015 SLA	Director Community/ Manager Community Services (R1 200 000)	Compliance with the SLA-Improved literacy levels within the Senqu Communities	1 SLA Signed between 2 parties (Senqu LM and DSRAC)	Target Met	2015/2016 SLA Signed between 2 parties	Target met	None	
To provide and maintain parks and open spaces creating a pleasant environment for communities- To create a healthy and sustainable environment by maintaining developing public open spaces	PARKS AND PUBLIC OPEN SPACES - BSD07	BSD07-01	Establishment of a park	New Indicator	Director Community/ Manager Community Services R100 000	Developed Parks-Improved Community Leisure within the Senqu Municipal area	Developed Parks in Lady Grey and Barkly East (project funded and implemented by National Department of Environmental Affairs)BSD07-01	Target not met	Developed Park in Lady Grey	Target not met	The construction could not commence due to delays in procurement. The Tender for said project has been evaluated , awaiting adjudication.	Q1-Advert was placed for Consultants for the project, Notice number 181/2015. Q2-Consultants appointed in December 2015. Q3-Procurement of Consultants completed - Quotations from the appointed Consultants were requested for the design, documentation and site supervision of the Park, the quotations came in above R200 000 and as a result of the pricing it had to go for competitive bidding. Q4-Construction (Earthworks preparation and installation of 20m palisade fencing)
		BSD07-02	Park in Lady Grey (Steve Tshwete) and open space developed (project funded and implemented by National Department of Environmental Affairs)	2014/2015 Reports	Director Community/ Manager Community Services	Developed Park-Improved Community Leisure within the Senqu Municipal area	Developed Parks in Lady Grey and Barkly East (project funded and implemented by National Department of Environmental Affairs)BSD07-01	Target not met	4 Quarterly reports on the development of Park in Lady Grey	Target met	None	Q1 The quarterly reports tabled the Standing Committee which sat on 14 October 2015. Q2 the report could only be tabled to the Standing Committee the on 16 February 2016 - as resulting the council recess. The approved business plan for the park was presented at a meeting held on 19 December 2015. Q3 the Business plan was submitted to the Department. The Department conducted training for the project implementer in order for the project to commence. Q4 the development of a park funded by DEA commenced on 15 June 2016.

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To provide and maintain parks and open spaces creating a pleasant environment for communities- To create a healthy and sustainable environment by maintaining developing public open spaces	PARKS AND PUBLIC OPEN SPACES - BSD07	BSD07-03	Maintenance of parks and open spaces (Lady Grey, Barkly East, Sterkspruit & Rhodes)	2014/2015 Reports	Director Community/ Manager Community Services	Parks maintained- Improved Community Leisure within the Senqu Municipal area	Parks and open spaces maintained	Target met. Parks and open spaces were maintained . The cleaning operational plan was implemented; Q3 Skip Bins and refuse bins placed in Sterkspruit and Herschel. Q4 Cleaning and Waste Awareness campaigns were held in Schools. Reports on the implementation of the Cleaning Operational Plan submitted to Scheduled SC	12 Monthly Reports on the maintenance of parks and open spaces	Target met	None - noted that there are ongoing challenges with vandalisation at Barkly East Caravan Park exasperated by and budget restrictions	Q1-3 Monthly reports-tabled to SC Nkululeko Park, Rhodes Caravan Park, Barkly East Caravan Park and Public Open spaces - maintained. Q2- Reports tabled to SC - Nkululeko Park, Rhodes Caravan Park, Barkly East Caravan Park and Public Open spaces maintained - quarterly report in Q2 rolled over to Q3 due to council going into recess and was tabled with Q3 report in February 2016 .Q3 Monthly reports-tabled to SC-Nkululeko Park, Rhodes Caravan Park, Barkly East Caravan Park and Public Open spaces maintained. Q4-Monthly reports-tabled to SC - Nkululeko Park, Rhodes Caravan Park, Barkly East Caravan Park & Public open spaces maintained . The Barkly East Caravan facility park requires to be renovated the recently the furniture has been stolen and reported to SAPS.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

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To manage commonages and control stray animals within Senqu Municipality-to maintain and control the commonages	LICENSING AND CONTROL OF ANIMALS - BSD08	BSD08-01	Maintain and Repair fencing in commonages (Lady Grey, Barkly East, Rhodes and Rossouw)	2014/2015 Reports	Director Community/ Manager Community Services R250 000	Fencing repaired-Improved management of animals	4 Reports on the maintenance of fences in commonages	Target Met.	Quarterly (4) Reports on the Maintenance of fence in commonages	Target met (4850m fencing maintained and repaired) noted the target was set as 4 Reports on the maintenance of fences in commonages no indication as to the number of meters of fencing repaired and maintained	**Noted** there was no Challenge with the theft of fencing by the community members. Commonage Management and Overgrazing remain a challenge . In Rossouw and Rhodes pounds are required. Noted the target was set as 4 Reports on the maintenance of fences in commonages no indication as to the number of meters of fencing repaired and maintained	Q1 quarterly report tabled to the SC 14 October 2015 - fencing repaired : Lady Grey = 1200 Metres, Barkly East = 1300 Metres, Rhodes = 950 Metres, Rossouw = 1600 Metres.Q2 report tabled to SC in Q3 16 of February 2016 - (council recess). Fence was repaired and maintained - Lady Grey 1100 metres; Barkly East 1250 metres; Rhodes 1650 metres; Rossouw 1050 metres. In Q3 fencing repaired /maintained . Q4 fencing repaired/maintained Lady Grey 2500 metres, Barkly East 2250, Rhodes 1650 metres, Rossouw 1740 metres
		BSD08-02	Updating of Stock Register	2014/2015 Reports	Director Community/ Manager Community Services	Register and Reports compiled-Improved management of animals	Stock Register updated for all pounds	Target met - Stock Register (updated) and 4 Reports submitted for Standing Committee	12 Reports- Stock Register Quarterly Updated for all Pounds	Target met 12 Reports submitted for Standing Committee Consideration	Ongoing management and monitoring of over stocked camps, especially those in Lady Grey and Barkly which contributes to the overgrazing challenges. Senqu LM have engaged the commonage users to reduce the number of livestock. Awareness campaigns have been held in Sterkspruit and Barkly East. Commonage Management challenges in Barkly East and Lady Grey as result of overstocking. The farmers are not willing to reduce the livestock which leads to overgrazing. Animals are not branded. A request has been made to Lukhanji Municipality in Queenstown to utilise their pound for the impounded stock in the municipality.	Q1-Monthly reports tabled to SC - Stray animals are impounded (as and when they are found on the roads). Q2-Reports (November and December 2015) tabled to 16 February 2016 SC (council recess December 205 until January 2016) . Q3- Stock count conducted 3 at Rhodes, Rossouw, Lady Grey, Barkly East. Q4 quarterly stock counts conducted.
		BSD08-03	Number of Stray Animals impounded (Lady Grey, Barkly and Rhodes)	2014/2015 Reports	Director Community/ Manager Community Services	Controlled Stray Animals-Improved management of animals	12 Reports on the control of Stray Animals	Target Met. Reports submitted to Scheduled SC. Stray animals were impounded when they are found throughout the quarters	12 Reports on the control of Stray Animals (Lady Grey, Barkly and Rhodes)	Target met - Reports on Stray animals impounded were submitted to the standing committees.	In Rossouw and Rhodes pounds are required. A request has been made to Lukhanji Municipality in Queenstown to utilise their pound for the impounded stock in the municipality.	Q1-3 reports -tabled to SC - Stray animals were impounded (found on the roads). Q2- 1 Report October 2015 tabled to SC and 2 reports (November & December 2015) tabled to SC in Q3 during council went into recess . Q3 reports -tabled to SC - Stray animals were impounded (found on the roads). Q4 reports -tabled to SC - Stray animals were impounded (found on the roads).

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To manage commonages and control stray animals within Senqu Municipality-to maintain and control the commonages	LICENSING AND CONTROL OF ANIMALS - BSD08	BSD08-04	Number of awareness's conducted on Commonage Management	2014/2015 Awareness	Director Community/ Manager Community Services	Conduct awareness campaigns on overgrazing-Improved management of animals	4 Awareness Campaigns Held	Target not met variance - 75% of the target was achieved 3 out 4 planned Campaigns were held	4 Awareness's Held	Target met - The Commonage Management Plan was completed and Approved by the Council.	None	Q1-The Tender was advertised for the Consultants. Q2-Consultant appointed in December 2015. Q3-The Development of the Commonage Management Plan has commenced . Q4-The Commonage Management Plan was completed and Approved by the Council.
		BSD08-05	Development of the commonage management plan	New Indicator	Director Community Services/ Manager Community Services / R319 000	Commonage Management Plan developed-Improved management of animals	No target in 2014/2015	No target in 2014/2015	Commonage Management Developed and Approved	Target met - The Commonage Management Plan was completed and Approved by the Council.	None	Q1-The Tender was advertised for the Consultants. Q2- Consultant appointed in December 2015. Q3-The Development of the Commonage Management Plan has commenced. Q4-The Commonage Management Plan was completed and Approved by the Council.
		BSD08-06	Construction of a Animal Pound in Lady Grey	New Indicator	Director Development and Town Planning Services/ Manager PMU/ R 400 000	Pound Constructed -Improved management of animals	No target in 2014/2015	No target in 2014/2015	Animal Pound Developed and Approved	Target met with a variance - The tenders received in March 2016 were non responsive	None	Q1-Awaiting for appointment of service providers contract no. 181/2015. Q2-Target has not been met because we are still awaiting MIG approval. DAC only sat end November. Expecting MIG approval by End Jan 2016 thereafter the consultants will be appointed to do the designing Q3-Procurement was not done in the quarter as planned. Q4-Awaiting adjudication committee for approval.

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To provide efficient and economical refuse collection and recycling services	WASTE MANAGEMENT - RECYCLING BSD09	BSD09-01	Daily cleaning of 6 Towns	2014/2015 Reports	Director Community/ Manager Community Services	Reports compiled- Healthier and Clean living conditions	12 Reports on the Cleaning of 6 Towns	Target met - Towns are cleaned on a daily basis monthly reports are submitted to the standing committee	12 Reports on the Cleaning of 6 Towns	Target met	None	Q1-Towns are cleaned on a daily basis monthly reports are submitted to the standing committee .Q2-1 report tabled to SC , two reports (November and December 2015). tabled in Q3 February 2016 due to council recess - Towns are cleaned on a regular basis. Q3 & Q4- Reports tabled to SC - Towns are cleaned on a daily basis.
		BSD09-02	Implementation of the Cleaning Operational Plan	2014/2015 Reports	12 Reports on the implementation of the Cleaning Operational Plan	Director Community/ Manager Community Services	12 Reports on the implementation of the Cleaning Operational Plan	Target met.	12 Reports on the implementation of the Cleaning Operational Plan	Target met	None	Q1- Implementation of the cleaning operational plan was done- bins were placed in Barkly East Town. Q2- Cleaning campaign was done in Lady Grey and Barkly East only in November 2015. Q3- 4 Reports were submitted to the standing committees. Q4- 4 Reports were submitted to the standing committees . In the previous financial year the KPI Number was BSD 07-03
		BSD09-03	Development of the Recycling Initiative Plan	No Plan	Achieve al least 50% of plan	Director Technical Services/ R145000	No target in 2014/2015	No target in 2014/2015	Achieve al least 50% of plan	Target not met (effort acknowledged in terms of procurement processes followed by the Directorate)	None	Q2-Procurement-Specification and Demand Plan Submitted to the Specification Committee. Specification and Demand Plan Submitted to the Specification Committee. Q3-Q4- the Evaluation committee delayed the project to allow the IED unit to be involved in the specifications process. In the process of resolving this matter with SCM. Specification and Demand plans were resubmitted.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

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To provide efficient and economical refuse collection and recycling services- To improve the quality of life for our communities by eradiating refuse service delivery backlogs	WASTE MANAGEMENT - RECYCLING BSD09	**BSD09-04**	Solid Waste Sites Renovations in control rooms Lady Grey and Barkly East	No maintenance	Complete maintenance	Director Technical Services/ LG R 71 500 BE = R 71 500	No target in 2014/2015	No target in 2014/2015	Renovations in control rooms Lady Grey and Barkly East - Complete maintenance	Target met with variances (Timeframes and Barkly East control room not completed attributed to poor workmanship)	The projects were to run simultaneously – the contractor however, concentrated on completing the Lady Grey Control room and completed the project ,the contractor within the same quarter did start with the Barkly East Control Room and , on inspection the work completed was deemed as poor workmanship and the contractor was instructed to redo the work what he has already done as of a result of the poor quality , this resulted in delays and the project not being completed by 30 June 2016.Implement performance management mechanism (at early intervals) to manage and report on service providers performance in terms of Senqu LM performance management policy related to the management of service providers	Q1 the Tender advertised, notice no181/2015. Q2 the specification and Demand Plan were submitted to the Specification Committee. Waiting on procurement of the service provider. Q3 the contractor was appointed for the renovation of both Lady Grey and Barkly East control rooms (simultaneously). Evaluation committee delayed the project due to insufficient funds. In Q4 the contractor could was not able to complete the Barkly East control room as a result of insufficient financial resources - the contractor relied on the payment for completion of the Lady Grey control room - The PMU contributed to the delay in submitting the completion payment certificate for the Lady Grey control room.
To provide efficient and economical refuse collection and recycling services- To improve the quality of life for our communities by eradiating refuse service delivery backlogs	WASTE MANAGEMENT - RECYCLING BSD09	**BSD09-05**	Lining of Solid waste site in Lady Grey	No lining - legal requirement	Line the Lady Grey solid waste	Director Technical Services/ R 325 000	No target in 2014/2015	No target in 2014/2015	Line the Lady Grey solid waste	Target not met	The project will go through procurement / tender processes . The Annual Target requires to constructed more specifically (smartly) so as determine the intent/purpose /of what is required to be achieved. Phrasing /Setting Reporting on targets must be in line with the intent of what the target is trying to achieve i.e. the annual target is not in line with the quarterly targets . The target should include the overall purpose of what the target is trying achieve by Quarter 4 - June 2016 .	Q3-Procurement -specification and Demand plan submitted . Project delayed as result of: 1. Confusion with SCM in terms of the project being deemed as a capital or operational item - The project had been provided for under the operational in the budget. SCM were of the opinion same was a capital project , clarity was only received towards the end of Q2. 2. SCM requested that the consultant submit a costing report instead of appointing a consultant to do the design and draw up tender documents. 3. The report was only received at the end of the Q3 by the department despite having been received by SCM in January 2016. 4. The specification was sent to SCM in January 2016 .Q4 SKC Consultant appointed, according to SCM , SKC reported that they did not receive an appointment letter from Senqu Municipality for the projects, only minutes of evaluation committee.

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To provide efficient and economical refuse collection and recycling services-To improve the quality of life for our communities by eradiating refuse service delivery backlogs	WASTE MANAGEMENT - RECYCLING BSD09	BSD09-06	Lining of solid waste site in Barkly East	No lining - legal requirement	Start project at year end	Director Technical Services/ R 460 000	No target in 2014/2015	No target in 2014/2015	Procurement by Q3 and Design by Q4 - Start project at year end	Target not met	The project will go through tender processes . The Annual Target requires to constructed more specifically (smartly) so as determine the intent/purpose /of what is required to be achieved. Phrasing /Setting Reporting on targets must be in line with the intent of what the target is trying to achieve i.e. the annual target is not in line with the quarterly targets . The target should include the overall purpose of what the target is trying achieve by Quarter 4 - June 2016 .	Q3-Procurement -specification and Demand plan submitted . Project delayed as result of: 1. Confusion with SCM in terms of the project being deemed as a capital or operational item - The project had been provided for under the operational in the budget. SCM were of the opinion same was a capital project , clarity was only received towards the end of Q2. 2. SCM requested that the consultant submit a costing report instead of appointing a consultant to do the design and draw up tender documents. 3. The report was only received at the end of the Q3 by the department despite having been received by SCM in January 2016. 4. The specification was sent to SCM in January 2016 .In Q4 SKC Consultant appointed, according to SCM , SKC reported that they did not receive an appointment letter from Senqu Municipality for the projects, only minutes of evaluation committee.

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To provide efficient and economical refuse collection and recycling services - to improve the quality of life for our communities by eradicating refuse service delivery backlogs	WASTE MANAGEMENT - RECYCLING BSD09	BSD09-07	Fencing of solid waste site - Sterkspruit	No fencing 1050 meters	Director Technical Services/ R 80 000	Access control & containment of refuse-Healthy environment and safety	No target in 2014/2015	No target in 2014/2015	Fencing of solid waste site - Sterkspruit	Target met with variance of 460 meters to Annual Target - In Q1,Q2 and Q3 target met and exceeded respectively a total of 590 meters fenced	Variances was attributed to extenuating circumstances - land invaders were removing the fence and the poles - obstructing the project and as result the quarter 4 target could not be achieved. The matter has been reported. DTPS is currently bust with the matter of removing land invaders.	Q1- Purchases of material according to the meters required per quarter. Q2-Construction (270 meters of fencing)-Target exceeded by 330 meters - 122,22% . Q3-260 meters of fencing done Q 4 nil - due to extenuating circumstances
		BSD09-08	Maintenance and connection of weighbridge in Lady Grey	Ongoing	Director Technical Services/ R 150 000	Accurate records-Legislative requirement	No target in 2014/2015	No target in 2014/2015	Have weighbridge maintained by professional at least once / year	Target not met	Specification committee ruled that the weighbridge will only be dealt with once the Electricity is connected by Electricity division within the municipality (in house).	There was no target set for Q1. Q2 specification committee ruled that the weighbridge will only be dealt with when Electricity is connected in house by the electricity division . There was no target set for Q3.Q4 Specification committee ruled that the weighbridge will only be dealt with when Electricity is connected in house by the electricity division. The Senqu Municipality Electrical Division (Lady Grey) has started the process by planting poles.
		BSD09-09	Maintenance and connection of weighbridge in Barkly East	Ongoing	Director Technical Services/ R 150 000	Accurate records-Legislative requirement	No target in 2014/2015	No target in 2014/2015	Have weighbridge maintained by professional at least once / year	Target not met	Specification committee ruled that the weighbridge will only be dealt with when Electricity is connected by electricity Section within the municipality - The Annual target must be phrased correctly - e.g. Weighbridge maintained by A professional at least once A year	Q1 -No target. Q2 specification and Demand Submitted to the Specification Committee - in Q2 target not met as planned i.e. the procurement was not achieved notwithstanding progress acknowledged of submissions of the specification and Demand Plan Submitted to the Specification Committee. Q3 No target. Q4 Specification committee ruled that the weighbridge only be dealt with when Electricity is connected by electricity division (in house) .
To provide efficient and economical refuse collection and recycling services - to reduce waste through awareness campaigns		BSD09-10	National Clean up Week	Ongoing	Director Technical Services/ R 50 000	Community waste awareness- healthy environment	No specific target in 2014/2015 - related target - 12 Reports on the Cleaning of 6 Towns	No specific target in 2014/2015 - related target in the previous FY - Target met - Towns are cleaned on a daily basis monthly reports are submitted to the standing committee (BSD09-01)(BSD09-01)	Held once per year (National Clean up Week)	Target Met -National clean up week was conducted successfully during the second quarter for a three month period . National clean-up week was conducted in the five wards during the financial year.	None - other than phrasing the Annual target correctly in line with KPA and quarterly targets	Q2-Clean implemented over 3 month period - National Clean up week was conducted as from October, November, December 2015

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT													
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To provide efficient and economical refuse collection and recycling services - to reduce waste through awareness campaigns	WASTE MANAGEMENT - RECYCLING BSD09	BSD09-11	Waste campaign in schools	Ongoing	Director Technical Services/ R15 000	Community waste awareness-Healthy environment and safety	No specific target in 2014/2015 - combined with 2 target BSD07-02 Implementation of the cleaning operational plan - 12 Reports on the implementation of the Cleaning Operational Plan and BSD 07 - 03 Number of parks and open spaces maintained	No specific target in 2014/2015 - combined with 2 target in the 2014/2015 FY BSD07-02 Target met. Waste Awareness campaigns were held in Schools. BSD07-03.Target met. Waste Awareness campaigns were held in Schools as part of the implementation of the cleaning operational plan	Held once per year	Target met	Waste campaigns in Schools were conducted in five schools	Q3-waste campaigns in Schools were conducted in five schools: Tapoleng SSS, Rex Mdebuka, Malikhanye High, and Sizamulwazi Primary.
		BSD09-12	Waste awareness Campaigns in Ward 10,11, 14, 16, and 19)	Ongoing	Director Technical Services/ R 75 000	Community waste awareness--Healthy environment and safety	4 Awareness Campaigns Held	Target met with a variance - 75% of the target was achieved 3 out 4 planned Campaigns were held	5 Awareness Campaigns	Target met	None	Q2-Waste awareness campaigns were held in Herschel, Mkhesi, Lady Grey and targeted areas, awareness is ongoing .
		BSD09-13	Start EIA and planning process on rural transit sites	Insufficient rural solid waste removal	Director Technical Services / R 250 000	Ensure waste collection and disposal--Healthy environment and safety	No target in 2014/2015	No target in 2014/2015	Appoint Service Provider and EIA process/design	Target not met	Dedea investigating the need of EIA	No target set for Q1 . Q2-Meeting held with Dedea who have stated there may not be a need for EIA. Being investigated further. Q3-Specification and Demand plan submitted . SCM requested the consultant provide a costing report and have not appointed the consultant - specification were sent to SCM in January 2016. Q4 the report from SKC is awaited and , the user department will meet with PMU, the SCM Manager, the CFO and the Technical services Director to discuss the EIA and the go ahead of the project.

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To provide efficient and economical refuse collection and recycling services - to reduce waste through awareness campaigns	WASTE MANAGEMENT - RECYCLING BSD09	BSD09-14	Development of Solid Waste Site in Ward 10 -Sterkspruit	EIA Delays in 2014/2015	Director Development and Town Planning Services/ PMU Manager/ Capital budget: R 486 000	Waste Site Developed-Improved Management of Waste Material	Development of Solid Waste Site in Ward 10 -Sterkspruit	Target not met	1 Waste Site Developed in Ward 10 (Target may vary due to EIA objections)	Target not met	Awaiting legal advise from the Municipal Legal department to terminate appointment of consultant	Q1- A report detailing progress on the EIA application tabled to the SC.Q2-Awaiting political intervention to "kick-start' the EIA application - the community have refused to allow the Municipality to build the Landfill site on the expropriated land. Referred to legal council and a response is awaited from Legal council in terms of the matter based on the expropriated land.Q3-The consultant appointed , the application has not been processed. Q4 The section was awaiting legal advice from the Municipal Legal department to terminate appointment of consultant.
		BSD09-15	Development of Solid Waste Site in Ward 11- Herschel	EIA Delays in 2014/2015	Director Development and Town Planning Services/ PMU Manager/ Capital budget: R 100 750	Waste Site Developed-Improved Management of Waste Material	Development of Solid Waste Site in Ward 11-Herschel	Target not met	1 Waste Site Developed in Ward 11 (Target may vary due to EIA objections)	Target met	None	Q1-A tender was advertised procuring for consultants notice no. 181/2015. Q2-Not met due to consultant for the EIA application only being appointed December. EIA application correspondence between DEDEAT and the consultants on our behalf. Q3- Application is not yet done. Q4-Application submitted
		BSD09-16	Development of Solid Waste Site in Ward 15- Rossouw	EIA Delays in 2014/2015	Director Development and Town Planning Services/ PMU Manager/ Capital budget: R 100 580	Waste Site Developed-Improved Management of Waste Material	Development of Solid Waste Site in Ward 15-Rossouw	Target not met	1 Waste Site Developed in Ward 15	Target met	None	Q1-A tender was advertised procuring for consultants notice no. 181/2015. Q2-Not met due to consultant for the EIA application only being appointed December. EIA application correspondence between DEDEAT and the consultants on our behalf. Q3- Application is not yet done. Q4-Application submitted

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

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To provide efficient and economical refuse collection and recycling services - to effectively manage and reduce waste	WASTE MANAGEMENT - RECYCLING BSD09	**BSD09-17**	Development of Solid Waste Site in Ward 16-Rhodes	EIA Delays in 2014/2015	Director Development and Town Planning Services/ PMU Manager/ Capital budget: R 100 580	Waste Site Developed-Improved Management of Waste Material	1 Waste Site Developed in Ward 16 (Target may vary due to EIA objections)	Target not met	1 Waste Site Developed in Ward 16 ((Target may vary due to EIA objections)	Target met with variance to timeframes	None - Reviewing turn around time with procurement processes.	Q1-A tender was advertised procuring for consultants notice no. 181/2017 . Q2-submission of EIA application -Not met as the consultant was only appointed in Dec 2015.Q3-Consultant appointed EIA application in progress.Q4- EIA completed.
		BSD09-18	Total Number of households with basic waste collection (Sterkspruit, Rural, Herschel, Lady Grey, Rossouw, Barkly East, Rhodes)	2013/2014 Reports	Director Technical services/FBS section/ Manager solid waste: R4 846 200	Waste collected in all identified areas but not all rural-Healthier and Clean living conditions	Number of households with basic waste collection - 12 monthly reports on the collection of waste removal services BSD09-06	Target Met. - 12 Monthly reports on the collection of waste submitted to SC	12 Reports on the collection of waste	Target met with variance	Review the target in terms of the number of reports to be tabled considering (recess issues and MFMA - s52 (d)) - Whilst the target was met in terms of terms of the MFMA S 52(d), a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the performance /budget and the financial state of affairs of the municipality; it would appear that a Variance occurred as result of the way the target was constructed /crafted on the SDBIP in terms of Variance to timeframes (other factors beyond the control of target holder to be considered).	Q1-3 monthly reports -Waste is collected monthly and reports are sent to Standing Committee. Q2-1 report tabled in Q2 - October 2015 tabled to the SC 19 November 2015 and 2 reports in said quarter (November & December 2015) tabled to the Standing Committee scheduled to sit on 16 February 2016 due to the council recess - 19 . 8 728 H/Hs receiving Refuse removal. Q3-The reports tabled to the standing committees. 4588 households. Q4-The reports have been submitted to the standing committees. 5016 households benefited.
		BSD09-19	Reviewal and Approval of integrated waste management plan by the Provincial Department of Environmental Affairs	2013 Approved IWMP	Director Technical Services/ Manager Solid waste	Reviewed IWMP-Approved Waste Management Plan	A reviewed and approved IWMP	Target not met .(progress is acknowledged).The target was not achieved as planned by Q3 .The IWMP was submitted to the Aliwal North DEDEAT Regional Office. The Regional Office will submit to be the MEC.	Reviewed and Approved IWMP	Target not met.	The MEC endorsed IWMP to be reviewed in the new FY - tabled to council for ratification/approval	The target set for Q4, not met - the department only managed to submit the endorsed IWMP by MEC to the Council. The document was not reviewed as they couldn't review before the endorsement by the MECQ4-Amended and Approved IWMP

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To provide economical and appropriate services for the poor-To ensure that the indigent register is accurate	FREE BASIC SERVICES BSD10	**BSD10-01**	Updating of the Indigent Register	2014/2015 Register	Director Technical services/FBS section	Approved and updated indigent register-Equal delivery of service to the community of Senqu Municipality	Update the Annual Register	Target Met - the Indigent Register was updated and the reports are submitted to the standing committee.	12 Monthly reports on updating the Annual Register	Target met with variance	Review the target in terms of the number of reports to be tabled considering (recess issues and MFMA - s52 (d)) - Whilst the target was met in terms of terms of the MFMA S 52(d), a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the performance /budget and the financial state of affairs of the municipality; it would appear that a Variance occurred as result of the way the target was constructed /crafted on the SDBIP in terms of Variance to timeframes (other factors beyond the control of target holder to be considered).	Q1-3 monthly reports-There were challenges with accessing Conlog system therefore the report could not be generated. Q2-The monthly reports for October 2015 were tabled to the Standing Committee 19 November 2015 . The November and December 2015 report tabled to the SC 16 February 2016. Runners employed for data collection but Councillors not signing off on forms in order to return to the office for analysis. Q3-5 monthly reports-Indigent register is legally updated annually only not every month. The target to be revised. Q4-3 monthly reports -There were challenges with accessing Conlog system during Q1. Runners were later employed for data collection. Challenges experienced were councillors not signing off on forms in order to return to the office for analysis.

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To provide economical and appropriate services for the poor-That all registered indigent households receive free basic electricity and refuse removal	FREE BASIC SERVICES BSD10	BSD10-02	Number of indigent households 12000 per quarter with access to free basic electricity	12000 H/H	Director Technical	Number of indigent people approved for free basic electricity-Equal delivery of service to the community of Senqu Municipality	4 Quarterly Reports on the number of indigent people receiving free basic electricity (Minimum of 12 000 to receive FBE)	Target met - Reports on the number of indigent people receiving free basic electricity submitted to scheduled SC	4 Reports on the number of indigent people receiving free basic electricity (Minimum registration of 12 000 to receive FBE)	Target met with variance - 3473 to planned target - by June 2016 8527 indigent beneficiaries with access to FBE.	Manage the challenges experienced - on implementing FBE, lack of communication on consumers receiving FBS /FBE - limited financial resources	Q1-July 8599 indigent beneficiaries with access to FBE, in August a total number of 8535 beneficiaries with access to FBE in September 7745 indigent beneficiaries with access to Eskom free basic electricity. Q2-Report tabled to the SC and 8484 H/Hs receiving FBE (Eskom & Munic). Q3- FBS is 12 235 with access to FBE. Eskom 11829 h/h are registered. January 8451 h/h received FBE, February 7995 h/h received FBE, March 8427 h/h received FBE. January 8451 h/h received FBE, February 7995 h/h received FBE, March 8427 h/h received FBE. Q3 report tabled to SC 8484 H/Hs receiving FBE (Eskom & Munic).Q4-1 report-In April 8362 indigent beneficiaries with access to FBE, in May 8460 beneficiaries with access to FBE. June a total number of 8527 indigent beneficiaries with access to FBE.

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To provide economical and appropriate services for the poor-That all registered indigent households receive free basic electricity and refuse removal	FREE BASIC SERVICES BSD10	BSD10-03	Number of indigent households with access to alternative energy	118 H/H	Director Technical	Number of indigent people approved for free basic alternative energy-Equal delivery of service to the community of Senqu Municipality	4 Reports on the number of indigent people receiving free access to alternative energy. (Minimum of 118 to receive FBAE)	Target Met - minimum of 118 exceeded - variance in report submissions in Q4 .Councillors identified 1331 households for provision FBAE; 408 Indigent Households approved by Council for free basic alternative energy in February 2015	4 Reports on the number of indigent people receiving free access to alternative energy. (Minimum of 500 H/Hs to receive FBAE)	Target met	Clear consolidated Statistical reporting in terms of Number of indigent households with access to alternative energy by Q4 (and managing the challenges of paraffin theft at the power station , acknowledged that case has been opened with SAPS . Putting in preventative measures in order to deal with further theft of paraffin - an alarm system to be installed at the power station.	Q1-1 Report Identify FBAE H/Hs - Procurement-Tender advertised for FBAE, notice no 138/2015. Report with the number indigent households with access to FBAE tabled to SC. Q2-1 Report tabled SC and 445 H/Hs receiving FBAE. Q3-1 report- tabled to SC January 602 h/h received 10lt of Paraffin and Candles in a pack of six. February 602 h/h received 10lt of Paraffin and Candles March 602 h/h received 10lt of Paraffin and Candles. Q4-1 Report-During Q3 & Q4 602 h/h received 10lt of Paraffin and Candles in a pack of six during the financial year.
		BSD10-04	Number of indigent households with access to free refuse removal services	2014/2015 Reports	Director Technical/ FBS section/ Solid Waste Manager	Number of indigent people approved for free refuse removal-Equal delivery of service to the community of Senqu Municipality	Number of indigent households with access to free refuse removal services BSD10-04	Target Met. Reports submitted to scheduled SC . = 3532 indigent households with access to free refuse removal services	4 Reports on the number of people receiving free refuse removal services	Target met	Clear consolidated Statistical reporting in terms of Number of indigent households with access to free refuse removal services by Q4.	Reports (4) tabled to SC - Q 1 total average number of 3476 had access to free refuse removal. Q 2, 3 467 H/Hs receiving free removals. Q 3 January 3466 h/h subsided with FBRR. February 3298 h/h subsides with FBRR. March 3299 h/h subsided with FBRR. April 3296 h/h subsided with FBRR. May 3294 h/h subsided with FBRR. June 2420 H/H subsided with FBRR

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To maintain and upgrade existing electrical networks and street lighting	ELECTRICITY AND STREET LIGHTING BSD11	BSD11-01	Refurbishment of transformers in Ward 19 (Barkly East)	Ongoing	Director Technical Services/ R 117 792	Minimise electrical outages-Electrical power supply stability	No target in 2014/2015	No target in 2014/2015	5 transformers refurbished	Target met with variance due to extenuating circumstances - achievements acknowledged (timeframes and number of transformers) 4 transformers refurbished and 2 new transformers purchased	80% target milestones met - extenuating circumstances contributed to the variances . Proper Planning for emergencies and for budgeting purposes - Preventive maintenance schedule to be put in place with regular inspections - The Phrasing and constructing of the KPA vs the Annual vs quarterly targets require review in terms of how they are constructed - reporting requires to be specific and qualitative	In Q1 - 2 Transformers refurbished. Order Number. 50243 and Invoice. Order Number. 50964. - Quotations acquired for additional Transformers. There were no Transformers that could be taken out of service for refurbishment. Tenders to be issued, subject to sourcing available funding. Q3) one Transformer refurbished. Invoice Order Number. 50964. In Q4 1 transformers Refurbished. Annual target 5 transformers to be refurbished and 4 transformers were refurbished for financial year 2015-2016. Tender Notice 24/2016 - evidence of Variance for the two transformers that were damaged - compelled to purchase 2 new transformers . Order Number. 73537 and Invoice.
		BSD11-02	Refurbishment of transformers in Ward 14 (Lady Grey)	Ongoing	Director Technical Services/ R 58 370	Minimise electrical outages-Electrical power supply stability	No target in 2014/2015	No target in 2014/2015	1 Transformer refurbished	Target met with variance	Submission (December 2015) for emergency purchases of 2 transformers which was rejected and resulted in amendments to Targets the in SDBIP .Delays experienced with Refurbishment of transformers (longer than anticipated). Proper Planning for emergencies and for budgeting purposes - Preventive maintenance schedule to be put in place with regular inspections - The KPA vs the Annual vs quarterly target require review in terms of how they are constructed - the ,milestones are required to be clear and concise and the number of transformer must be stipulated clearly , the reporting requires to be specific and qualitative	Q1-The transformer sent to be refurbished took longer to come back in order to send the second one. This will be done in the Q2. Q2-1 Transformer refurbished. Order Nr. 51224 and Invoice. Transformer refurbishment for Q1 was only done in Q2 due to the fact that the transformer took longer to refurbish than expected. Another transformer could not be sent until receiving the original transformer back. Q3-1 Transformer Refurbished. Invoice Order Nr. 51224

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To maintain and upgrade existing electrical networks and street lighting	ELECTRICITY AND STREET LIGHTING BSD11	BSD11-03	Refurbishment of transformers in Ward 10 (Sterkspruit)	Ongoing	Director Technical Services/ R 79 410	Minimise electrical outages-Electrical power supply stability	No target in 2014/2015	No target in 2014/2015	1 Transformers refurbished	Target met	None - other than Proper Planning for emergencies and for budgeting purposes - Preventive maintenance schedule to be put in place with regular inspections.	Q1-The transformer in ward 10 was not refurbished, however the Spare Transformer is currently in service at Zwelitsha School. Q2-1 Transformer refurbished. Order Nr. 50965 and Invoice. This was done for the first quarter. 2 x transformers damaged beyond repair and not replaced thus no need for refurbishment. Q3-Submission was made in December 2015 for emergency purchases of 2 transformers and was rejected which resulted in the change in SDBIP targets. Q4-1 Transformer refurbished. (Order Nr. 50965 and Invoice). This was done for the first quarter. Noted that 2 x transformers damaged beyond repair and not replaced thus no need for refurbishment.
		BSD11-04	Maintenance of electrical networks (MV & LV)	Network stability	Director Technical Services/ R 512 180	Minimise electrical outages-Electrical power supply stability	Ongoing maintenance and repair of breakdowns - Quarterly report on Breakdown time no longer than 8 hrs and planned outages not longer than 12 hours	Target not met - variances - Reports and statistics are submitted to scheduled SC Meetings	Ongoing maintenance and repair of breakdowns. (Unplanned Outages not longer than 8 hrs/ Planned Outages not longer than 12 hrs)	Target met with a variance - extenuating circumstances beyond control of the target holder (Lightning Struck the MV Overhead Line and burnt the MV Cable feeding the Transformer) 75% Target was achieved	Q4 variance was as result of extenuating circumstances - one un-planned outage more than 8 hours on 10 May 2016. This un-planned Municipal outage was due to Lightning that Struck the MV Overhead Line and burnt the MV Cable feeding the Transformer. It was not possible for Senqu Municipal Staff to repair the fault. Specialized contractor was required. Therefore deviation of the SCM required to get a contractor to replace the MV cable. Due to the emergency specialized services were required to repair the MV Line a SCM deviation was required to appoint a contractor.	Q1-No Unplanned Outages were longer than 8 hrs. No Planned Outage was longer than 12 hrs. Electrical Losses report outstanding due to Utility World reports not complete. Q2-No Unplanned Outages were longer than 8 Hours. No Planned Outage was longer than 12 hours. Outages that normally take place on a week end will now need to happen during working hours due to management instructions regarding JC staff. Q3-Submitted to Standing Committee of April 2016. No Unplanned Outage was longer than 8 Hours. No Planned Outages were longer than 12 Hours. Q4-10 May 2016 -unplanned outage lasted more than 8 hours

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To maintain and upgrade existing electrical networks and street lighting	ELECTRICITY AND STREET LIGHTING BSD11	**BSD11-05**	Maintenance of store in Lady Grey (Ward 14)	Security	Director Technical Services/ R 220 000	Security of assets-Life extension of assets	No target in 2014/2015	No target in 2014/2015	Maintenance of Safety of assets (Store)(Ward 14)	Target met	The target requires to constructed more specifically (smartly) so as determine the intent/purpose /of what is required to be achieved. The Phrasing /constructing of the KPA vs Annual vs quarterly targets require review in terms of how they are worded i.e. the intent /purpose of the target.	Q1 and Q2 procurement processes implemented / Consultant appointed. Q2 Construction (Partitioning and plastering, racks etc.)in Progress. Q3 Construction in progress . Q4 the project completed.

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							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
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To maintain and upgrade existing electrical networks and street lighting	ELECTRICITY AND STREET LIGHTING BSD11	BSD11-06	Maintenance of store in Sterkspruit (Ward 10)	Security	Director Technical Services/ R 100 000	Security of assets-Life extension of assets	No target in 2014/2015	No target in 2014/2015	Maintenance of Safety of assets (Store)(Ward 10)	Target met with variance (Timeframes)	Manage the challenges experienced with procurement processes.	Q1 Procurement processes - request for Quotations - not finalised in said quarter rolled over into Q2 . Q2 Procurement processes completed (Quotations finalised) - Construction in progress . Q3 Construction completed as per planned target milestone . Note additional to the target - funding requested at budget adjustment and approved R15000. for the installation of a Geyser.
		BSD11-07	Maintenance of store in Barkly East (Ward 19)	Security	Director Technical Services/ R 117 792	Security of assets-Life extension of assets	No target in 2014/2015	No target in 2014/2015	Maintenance of Safety of assets (Store)(Ward 19)	Target met with variance (Timeframes)	Implement performance management mechanism (at early intervals) to manage and report on service providers performance in terms of Senqu LM performance management policy related to the management of service providers	Q1 and Q2 procurement processes implemented / Consultant appointed. Q2 Construction (Partitioning and plastering, racks etc.)in Progress. Q3 Construction in progress (set to be completed by Q3 - Contractor was working at a very slow pace) . Q4 the project completed.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To maintain and upgrade existing electrical networks and street lighting	ELECTRICITY AND STREET LIGHTING BSD11	**BSD11-08**	Replacement of electrical meters with Conlog in Ward 10 (Residential)	Outdated electrical metering	Director Technical Services/ Capital budget: R 750 000 for all	Updated metering technology-Reduction of electricity losses	Replacement of electrical meters - BSD11-04 - Installation of 550 electrical meters (original Target) - Target Amended -- Installation of 435 electrical meters (one Target during the previous FY - not a specific target but related - noted 2015/2016 multiple targets)	Target not met -variance to target variance of 111 meters to original target (550 meters)	215 (Number of meters replaced)-	Target not met Variance of 161 meters - 78,89% variance - 54 meters were installed - 25,11% achieved .	Extenuating circumstances prevented the target from being achieved - Challenges experienced in Sterkspruit, employees were refused entry to perform installation of prepaid meter (reported to the Mayor - and addressed by the MM and the Sterkspruit Ratepayers Association (SRA) at a meeting 4 September 2015 - the community continued to deny Senqu LM access to install prepaid meters in Sterkspruit. Vehicle breakdown restricted installation of meters - The Directorate and Fleet Management division to implement measure to reduce the risk of vehicle breakdowns by ensuring the vehicles are serviced /maintained according to service/ maintenance schedule and by implementing routine vehicle protocols - vehicle checks sheet to be completed and signed off daily before and after use by each Driver of said vehicle. The identified problems are reported formally and immediately.	Q1-Procrument process - No meters is installed at Sterkspruit.(discussed at Top Management Meeting). Demand plan and Specifications submitted to Evaluation committee 6 October 2015. Q2-Sterkspruit residents refused to supply data required. Only applied for meters installed meters installed. Q3- 12 Meters installed . Break down of Vehicles further restricted installation of Meters (Reported to SC in April 2016). **(QUARTER 4 INFORMATION IS MISSING)**
		BSD11-09	Replacement of electrical meters with Conlog in Ward 14 (Residential)	Outdated electrical metering	Director Technical Services/ Capital budget: R 750 000 for all	Updated metering technology-Reduction of electricity losses	Replacement of electrical meters - BSD11-04 - Installation of 550 electrical meters (original Target) - Target Amended -- Installation of 435 electrical meters (one Target during the previous FY - - not a specific target but related -noted 2015/2016 multiple targets)	Target not met -variance to target variance of 111 meters to original target (550 meters)	120 (Number of meters replaced)	Target not Met - Variances to Target - variance of 99 meters - 82,50% - %. Achieved 21 meters 17,50%	Vehicle breakdown restricted installation of meters - reported to SC. While it is understood that vehicles do break down do occur it is required vehicle are serviced according said service / maintenance schedule. The Directorate and Fleet Management division to implement basic routine vehicle protocols - vehicle check sheets . Every vehicle to be checked/surveyed daily , before and after use for possible faults /damage i.e. basic issues - Check tires for cuts, nails, stones and proper inflation , oil leaks , visible dents , etc. and any identified fault /damage be reported formally and immediately	Q1 - 84 Meters replaced. Q2 The Demand plan and Specifications submitted to Evaluation committee of the 6th of October 2015 - 15 Meters were replaced. Q3 Break down of Vehicles restricted installation of Meters. Reported to SC) target not met. Q3 4 Meters replaced - target not met. By Q4 June 2016 - 99 meters were replaced .

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT													
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STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To maintain and upgrade existing electrical networks and street lighting	ELECTRICITY AND STREET LIGHTING BSD11	**BSD11-10**	Replacement of electrical meters with Conlog in Ward 19 & 16 (Residential)	Outdated electrical metering	Director Technical Services/ Capital budget: R 750 000 for all	Updated metering technology-Reduction of electricity losses	Replacement of electrical meters - BSD11-04 - Installation of 550 electrical meters (original Target) - Target Amended -- Installation of 435 electrical meters (one Target during the previous FY - - not a specific target but related -noted 2015/2016 multiple targets)	Target not met -variance to target variance of 111 meters to original target (550 meters)	135 Number of meters	Target Met with variances to timeframes - 166 Meters replaced 129,68% achievement . (Noted Number of meters exceeded BUT **timeframe not met ito target set)**	**This target was set to be achieved by Q3 and was not formally amended** - the 29 additional meters making up the total of 157 does not form part of the original target the additional meters were achieved in a quarter (Q4) that was not part of the original target. The division attributes this to ongoing vehicle breakdown restricted installation of meters - The Directorate and Fleet Management division to implement measure to reduce the risk of vehicle breakdowns by ensuring the vehicles are serviced /maintained according to service/ maintenance schedule and by implementing routine vehicle protocols - vehicle checks sheet to be completed and signed off daily before and after use by each Driver of said vehicle. The identified problems are reported formally and immediately.	Q1-Procrument processes - Demand plan and Specifications submitted to Evaluation committee 6 October 2015 - **6 meters replaced**. Q2-75 meter replaced - Indigent households receiving free meters. Q3-47 Meters replaced. noted the target was set to be achieved by Q3 - by Q3 128 meters were replaced the Electricity division attributes this to the Break down vehicles which restricted the replacement / installation of Meters which was reported to the SC in April 2016. **The target rolled over to Q4 and by Q4 it was reported that 166 meters had been replaced which would indicate that the target was exceeded however,** the target was set to be achieved by Q3 - the achievement by Q3 - 128 metres were replaced -represents a variance of 7 meters to Target.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT													
							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To maintain and upgrade existing electrical networks and street lighting	ELECTRICITY AND STREET LIGHTING BSD11	BSD11-11	Replacement of Kva Meters Lady Grey (Ward 10)	Outdated electrical metering	Director Technical Services/ Capital budget: R 750 000 for all	Updated metering technology-Reduction of electricity losses	Replacement of electrical meters - BSD11-04 - Installation of 550 electrical meters (original Target) - Target Amended -- Installation of 435 electrical meters (one Target during the previous FY - - not a specific target but related -noted 2015/2016 multiple targets)	Target not met -variance to target variance of 111 meters to original target (550 meters)	Procurement/ replace / install 10 meters	Target not met	Store / Inventory control management system implemented - linked to SCOA and the budget (important for keeping inventory numbers stable as well as determining and controlling the levels of stock needed for optimal functioning and budget and asset management)	No stock could be issued /taken from the stores. SCM experienced challenges with stores in respect of control issues related to stock/materials and issue and use materials - in respect of 21 projects in the previous FY 2014/15 - stock take issues with materials no controls in place - no job cards no allocation of vote number/incorrect project number vote / order number. All these issues were required to be rectified. Control procedures had to be implemented. A system being developed and linked to SCOA and the budget implications that will address all related store issues.
		BSD11-12	Replacement of Kva Meters Barkly East (Ward 19)	Outdated electrical metering	Director Technical Services/ Capital budget: R 750 000 for all	Updated metering technology-Reduction of electricity losses	Replacement of electrical meters - BSD11-04 - Installation of 550 electrical meters (original Target) - Target Amended -- Installation of 435 electrical meters (one Target during the previous FY - - not a specific target but related -noted 2015/2016 multiple targets)	Target not met -variance to target variance of 111 meters to original target (550 meters)	Procurement/ replace / install 17 meters	Target not met	Investigate allegations of workload demands - vs Capacity within the division. Implement interventions i.e. - performance management mechanism to manage and monitor performance within the Electro Technical Division - Implement necessary corrective measures.	Q1-Procurement/ install 10 meters- target not met - carried over to Q2 reported that the Workload was demanding - No KVA meters Installed in Q2 - carried over to Q3 - reported that workload demands continue - no further reporting received from the division - no proactive steps taken to manage the achievement of this target.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT													
							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To maintain and upgrade existing electrical networks and street lighting	ELECTRICITY AND STREET LIGHTING BSD11	BSD11-13	Repair of High mast Lights Barkly East (Ward 19)	Ongoing	Director Technical Services/ R 863 220	Working Public lighting-Community Safety	No target in 2014/2015	No target in 2014/2015	Repair all High mast Light fittings(3 high mast lights)	Target met with variance (timeframes)	The Target was set to be achieved by Q2 and was only achieved in Q4(repair of 3 high mast lights). Target appears to be set / structured unrealistically and could in "real" terms never have been achieved over two quarters of said FY . The timeframes are tight - High Mast lights should at least be at least be maintained twice in a FY .	Q1 and Q2 tender advertised -Notice Number. 184/2015.Demand Plan. Specifications of Tender. Site Meeting. The tender was awarded. Note Adjudication committee took place in December 2015(Q2). Tender Number. 184/2015 Order Number. 72513. The division attributes delayed / slow progress to SCM processes taking too long. Notwithstanding procurement delays the project was completed in quarter 4, noted further delays to the project were (attributes to late arrival of materials from the Contractor).
		BSD11-14	Replacement of Street Lights in all 3 towns of Senqu (Ward 10, 14 & 19)	Old fittings	Director Technical Services/	Working Public lighting-Community Safety	Ongoing maintenance and repair of breakdowns - Ensure street light is out no longer than 5 to 14 working days.	Target not met variances to time frame for repair of breakdowns -	Replace: ward 10 = 45; ward 14 = 40; ward 19 = 50 Total = 135 fittings	Target met with variance - by Q3 - Ward 10 replaced 15 Street Lights. Ward 14 = 0. Ward 19 = 0. and by Q4 101 (no detailed reporting /statistics provided form the divisions in terms of the specific wards as set per target)	Statistical reporting received from said Electrical Division is often not provided against set target - inconsistently provided (no specifics - the reporting is confusing and requires attention -The construction of said targets must be reviewed and set realistically in terms of timeframes of achievement considering the extenuating circumstances and past performance of achieving milestones in terms of Electrical targets. Target in the Electrical division are either not met and or met with variances. Implement interventions i.e. - performance management mechanism to manage and monitor performance within the Electro Technical Division	Target set from Q2 to be achieved by Q4 - Reported that the achievement of said target was attributed to procurement /material delays. Q2-Tender 183/2015 was awarded. Order Nr. 72521 Ward 19 and Order Nr. 72522 Ward 10 and Order Nr. 72514 Ward 19 is placed. adjudication committee attached. To be completed in Q4. Q3-Material delays which arrived in March 2016 - the Lamps were outstanding and anticipated to arrive towards the end of April 2016. Ward 10 replaced 15 Street Lights. Ward 14 = 0. Ward 19 = 0. Job Card Nr. 651 & 660. Photos and Co-ordinates attached. Email attached of late delivery of Material on order. WAS PREVIOUSLY REPORTED ON UNDER KPI NUMBER BSD11-11 **(QUARTER 4 INFORMATION MISSING)**

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To maintain and upgrade existing electrical networks and street lighting-to maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment	ELECTRICITY AND STREET LIGHTING BSD11	**BSD11-15**	Lady Grey New Street Light in Walter and Cloete Streets	No street lighting	Director Technical Services/ 0	Working Public lighting-Community Safety	No target in 2014/2015	No target in 2014/2015	Install 20 fittings (Street light fittings)	Target met with variance - of 5 (25% variance) - (Street light fittings) by Q4 15 (Street light fittings) were installed 75% achieved	Implement interventions i.e. - performance management mechanism to manage and monitor performance within the Electro Technical Division. The vehicle issue is raised consistently as a factor that prevents the target holder from achieving target milestones in this case it was the availability of said vehicle's. The Directorate and Fleet Management division are to urgently implement measure to reduce all vehicle related risks as it appears to be a common factor in preventing the target holders from achieving targets within the Electrical Division. Manage the challenges experienced with procurement processes.	Q1-Tender Notice Nr. 183-2015. Demand plan. Specifications. Q2-Construction (Tarre coated poles planted and ABC bundle installed in both Walter and Cloete Street). Tender 183/2015 awarded. Tender Order Nr. 72541 is made. To be completed in Q3, depending on materials noted the Adjudication Committee only sat in December 2015 .Q3-Construction started. Order and Invoice nr 80747. Invoice order Nr. 72541. Job Cards Nr. 011, 012 and 013. Q4-15 Street lights installed in May 2016 - Construction still in process. Order Nr. 72541 Invoice. Job Card Nr. 553. delays - Late arrival of material in May 2016. Failure of Vehicles availability. Q4 15 Street lights installed in May 2016. Order Number. 72541 Invoice. Job Card Number. 553. Late arrival of material in May 2016. Failure of Vehicles availability. Standing committee reports were submitted.
		BSD11-16	Lady Grey New Street Light in Dwars	No street lighting	Director Technical Services/ 0	Working Public lighting-Community Safety	No target in 2014/2015	No target in 2014/2015	Install 8 fittings (Street light fittings)	Target not met (progress and challenges acknowledged) - The target relates to installing of 8 street light fittings (Street light fittings)Tar Coated Poles installed by Q4 no fittings were installed	Reporting requires attention . Implement interventions i.e. - performance management mechanism to manage and monitor performance within the Electro Technical Division. The vehicle issue is raised consistently as a factor that prevents the target holder from achieving target milestones in this case it was the availability of said vehicle's. The Directorate and Fleet Management division are to urgently implement measure to reduce all vehicle related risks as it appears to be a common factor in preventing the target holders from achieving targets within the Electrical Division. Manage the challenges experienced with procurement processes.	Tender Notice Number. 183-2015 was advertised in Q1. Demand plan were submitted. In Q2 Tender 183/2015 was awarded. Order Number. 72520 is placed. The project was anticipated to be completed in Q3, dependant on the acquisition of materials - delays expected due slow procurement Adjudication (only sat in December 2015). Q3 Material only arrived in March ,the Lamps were still outstanding and were anticipated to arrive towards the end of April 2016. Invoice Order Number. 7250 of Material and Order Number. 73151 for Material adjustment. Order Number. 80783 for Contractor for drilling of holes. Q4 Tar Coated Poles installed. Construction in process due to late arrival of material (in May 2016). See Invoices. Failure of Vehicles availability.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT													
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To maintain and upgrade existing electrical networks and street lighting-to maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment	ELECTRICITY AND STREET LIGHTING BSD11	BSD11-17	New Street Lights for Khwezi Naledi	No street lighting	Director Technical Services/ 0	Working Public lighting-Community Safety	No target in 2014/2015	No target in 2014/2015	Install 12 fittings	Target not met (progress and challenges acknowledged) - The target relates to installing of 12 street light fittings (Street light fittings)Tar Coated Poles installed by Q4 no fittings were installed	Reporting requires attention . Implement interventions i.e. - performance management mechanism to manage and monitor performance within the Electro Technical Division. The vehicle issue is raised consistently as a factor that prevents the target holder from achieving target milestones in this case it was the availability of said vehicle's. The Directorate and Fleet Management division are to urgently implement measure to reduce all vehicle related risks as it appears to be a common factor in preventing the target holders from achieving targets within the Electrical Division.	Q1-Procurement-Tender Notice Nr. 183-2015. Demand plan. Specifications. Q2-Construction (Tarre coated poles planted and ABC bundle installed). Tender 183/2015 was awarded. Order Nr. 72524 placed. anticipated to be completed in Q3, dependant on acquiring materials (due to late Adjudication which only sat in December 2015). Q3-Construction-Material only received in March 2016. Waiting for Contractor to drill holes for Poles. Construction not started. Invoice of Order Nr. 72542 and Order Nr. 73151 for additional Material adjustment. Order Nr. 80783 of Contractor for drilling of holes. Construction will only start in the Q4. Tar Coated Poles installed in Q4. Construction in process due to Late arrival of material (May 2016) and Failure of Vehicles availability.
		BSD11-18	Street Lights in Ward 19	No Street lighting	Director Development and Town Planning Services/ PMU Manager/ R1 800 000	Reliable and energy efficient lighting-Electrical usage savings and community safety	No target in 2014/2015	No target in 2014/2015	Installation of 200 street light fittings and infrastructure	Target not met with variance - extenuating circumstances noted (contractor Liquidation) no progress reporting received from the division form Q3 onward	Reporting requires attention . No reporting in terms of this target from Q3 . Implement interventions i.e. - performance management mechanism to manage and monitor performance within the Electro Technical Division.	In Q1 and Q2 the tender was advertised, notice no 141/2015. Construction in progress poles and aerial bundle lines installed. In Q3 there were no reports about the project, In Q4 The contractor went into liquidation and the project could not be completed. The advert will be re advertised for tender in 2016/2017 financial year.

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To maintain and upgrade existing electrical networks and street lighting-to maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment	ELECTRICITY AND STREET LIGHTING BSD11	BSD11-19	Street Lights in Ward 14 (Steve Tshwete)	No street lighting	Director Development and Town Planning Services/ PMU Manager/ R 750 000	Reliable and energy efficient lighting-Electrical usage savings and community safety	No target in 2014/2015	No target in 2014/2015	Installation of street light fittings and infrastructure in Ward 14 (Steve Tshwete) Q1 and Q2 Target - MIG application and MIG application approved.Q3 - Procure for a consultant .Q4 Design)	Target met	None	In Q1 and Q2 MIG Fund application completed and approved. In Q3 the tender awarded 18 March 2016. Q4 Designs completed prior and additional to project milestone the procurement processes of the contractor was started with (demonstrating innovative/pro-active action) .
		BSD11-20	Installation of SWH	No indigent water heating or electricity reduction measures	Director Technical Services/ No Budget - External (Eskom/DoE)	Hot water available-Cleanliness & health & electricity savings	No target in 2014/2015	No target in 2014/2015	SWH Application done - Dependent on DoE investigation (Q1 and Q2 Data collection, Q3 Application Q4 Approval/dis-approval)	Target met	None	Challenges with initial data collection for the application during Q1 .Q2 no chemical analysis received from JGDM prevented the application from being submitted. A meeting with a SP was organised for December '15 but cancelled by them and postponed to Jan '16. Q3 SWH System Questionnaire programme received.
		BSD11-21	Construction of High Voltage Overhead Line at Lombard Farm	Non conformity of infrastructure	Director Technical Services/ R 8 000	Reliable electricity supply-Safety & conformity	No target in 2014/2015	No target in 2014/2015	Construction of High Voltage Overhead Line at Lombard Farm - 500 m MV line (Q2 Procurement ,Q3 Construction and Q4 Construction /completion)	Target met with variance (Construction not complete by Q4 as planned) (progress and challenges acknowledged)	Targets set -Q2 to Q4. The division attributes non completion of to Excessive breakdown of Technical vehicles and to the CFO rejecting 1st quarter procurement resulting material delays (received March 2016). The division creates the impression consistently that they may have a capacity and or human capital shortage issue in that they claim delays to the project were affected by being restricted in using interns and job creation staff - and to no approval for overtime or after hours work .It not sure why the comments regarding CFO'S Procurement restrictions in Q1 is relevant as the target was set from Q2. The capacity/shortages in this division to be investigated and interventions be implemented . Performance management mechanism implemented to manage and monitor performance within the Electro Technical Division. The vehicle issue is once again raised (consistently) as a factor that prevents the target holder from achieving target milestones. The Directorate and Fleet Management division are to urgently implement measure to reduce all vehicle related risks as it seems to be a common factor in preventing the target holder in Electro Technical Division from achieving planned targets.	Q1 tender 182/2015 was awarded. Order Number. 51197 – the project was progressing as planned notwithstanding the challenges of receiving the materials late. Q2 construction commenced /in progress In Q3 the material arrived in March 2016. Construction proceeding well. Job Card number: 7714, 7747 and 7755 -Order and invoice number: 72903 (drilling of holes). Invoice and Order number 72525 (Material).

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To maintain and upgrade existing electrical networks and street lighting-to maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment	ELECTRICITY AND STREET LIGHTING BSD11	BSD11-22	Construction of High Voltage Line at Boxer in Sterkspruit	Unsafe infrastructure	Director Technical Services/ R 73 000	Reliable electricity supply-Safety & conformity	No target in 2014/2015	No target in 2014/2015	Construction of High Voltage Line at Boxer in Sterkspruit - 116 m (poles)	Project on hold	DoE Funding approved. Due to the increase of Customers the MV Overhead line (Project) to be changed.	Q1 - Tender 182/2015 awarded – The project could not start - Materials could not be released for the store - until control measures were put in place, a system was being developed and linked to SCOA and budget implications and that will address all related store issues. This was planned to be completed by the 2nd Quarter. The material was kept in the store. It was planned to use the material for 2015/2016. No approval for additional material purchases (the material available in the store was to be used before any additional purchases could be approved . There were no uncompleted Projects that rolled over form the previous FY 2014-2015 .Q3 The project cancelled due to a circumstantial requirement in respect to changes in the scope of work there have been further development in the area which require re-routing after construction of private commercial structures. (Evidence tabled to SC). Q4 The project put on hold and DoE funding approved. Due to the increase of Customers the MV Overhead line will be required to be changed.
		BSD11-23	Construction of Empilisweni Hospital MV Line Sterkspruit (Ward 10)	Unsafe infrastructure	Director Technical Services/ R 73 000	Reliable electricity supply-Safety & conformity	Target not specific but related target - Construction of MV line in Sterkspruit (Zwelitsha) - 3000 m of MV line constructed	Target not met (progress and challenges acknowledged) variance to quarterly targets and timeframe only 10% achievement by Q4.	Construction of Empilisweni Hospital MV Line Sterkspruit (Ward 10) - 490m	Target met with variance (timeframes planned to be completed by Q3 not met rolled over to Q4 and not completed by Q4)	Targets set - Q1 -to Q3. The division attributes non completion to Excessive breakdown of Technical vehicles and to procurement delays resulting in material delays (received March 2016). The division creates the impression consistently that they may have a capacity and or human capital shortage issue in that delays to the project were affected by being restricted in using interns and job creation staff - and to no approval for overtime or after hours work .The capacity/shortages in this division to be investigated and interventions be implemented . Performance management mechanism implemented to manage and monitor performance within the Electro Technical Division. The vehicle issue is once again raised (consistently) as a factor that prevents the target holder from achieving target milestones. The Directorate and Fleet Management division are to urgently implement measure to reduce all vehicle related risks as it seems to be a common factor in preventing the target holder in Electro Technical Division from achieving planned targets.	Q1 the tender Notice number 182-2015 advertised and demand plan were submitted. Evaluation minutes were attached. In Q2 the tender 182/2015 was awarded. Order number. 72511 was made. Adjudication committee attached. Project was anticipated to be completed in Q4 due to adjudication Committee only sitting in December as this has affected material delivery times. Target timeframes may require review. In Q3 Material was delivered. Invoice of Order number: 72511. CFO rejected 1st quarter procurement resulting in material only being approved in December 2015 and the material was only received in March 2016. Restriction of use of interns & job creation staff leading to delays as no afterhours work or equipment usage is allowed. Construction will start in the 4th Quarter. In Q4 the project is in construction phase. Delay is due to excessive breakdown of Technical vehicles.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT													
							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To maintain and upgrade existing electrical networks and street lighting-to maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment	ELECTRICITY AND STREET LIGHTING BSD11	BSD11-24	Construction of new MV line from Phomolong to Ext 4 - Sterkspruit (Ward 10)	No infrastructure	Director Technical Services/ R 407 000	Reliable electricity supply-New consumers resulting in more municipal income	Target not specific but related target - Construction of MV line in Sterkspruit - 3000 m of MV line constructed	Target not met (progress and challenges acknowledged) variance to quarterly targets and timeframe only 10% achievement by Q4.	MV Line - 1500m - Construction / Completion (Stringing of 1500m conductor and completion)	Target Exceeded - of 2139 meters achieved (Target - 1500m) - 142,60% achieved.	Targets set -Q1 to Q3. The division attributes non completion of to Excessive breakdown of Technical vehicles and to the CFO rejecting 1st quarter procurement resulting material delays (received March 2016). The division creates the impression consistently that they may have a capacity and or human capital shortage issue in that they claim delays to the project were affected by being restricted in using interns and job creation staff - and to no approval for overtime or after hours work .It not sure why the comments regarding CFO'S Procurement restrictions in Q1 is relevant as the target was set from Q1. The capacity/shortages in this division to be investigated and interventions be implemented . Performance management mechanism implemented to manage and monitor performance within the Electro Technical Division. The vehicle issue is once again raised (consistently) as a factor that prevents the target holder from achieving target milestones. The Directorate and Fleet Management division are to urgently implement measure to reduce all vehicle related risks as it seems to be a common factor in preventing the target holder in Electro Technical Division from achieving planned targets.	Q1 Tender Notice Number. 182 -2015 advertised/Demand plan was submitted. Q2 Tender 182/2015 awarded. Order Number. 72526. late sitting of adjudication committee (Dec 2015) caused delays with material delivery - project timeframes may require review. In Q3 Construction (Cross-arms & Insulator installation). The invoice/ Delivery Note of Order Number. 72526. Job Cards 336, 654 & 662 -Material delivered. Invoice of Order Number. 72511. Restriction of use of interns & job creation staff led to delays , no afterhours work/overtime approved or equipment usage was allowed. Q4; 615 meters MV Mink conductor was installed (May 2016). 440 meters MV Mink conductor was installed (June 2016). Total Meters installed is 1055 meters. Restriction in the use of interns & job creation staff led to delays/no afterhours work or equipment usage allowed. Q4; 615 meters MV Mink conductor installed May 2016. 440 meters MV Mink conductor installed June 2016. Total Meters installed is 1055 meters. Excessive breakdown of Technical vehicles still a challenge.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To maintain and upgrade existing electrical networks and street lighting-to maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment	ELECTRICITY AND STREET LIGHTING BSD11	BSD11-25	Construction of new LV line at Ext 4 - Sterkspruit (Ward 10)	No infrastructure	Director Technical/ R 114 000	Reliable electricity supply-New consumers resulting in more municipal income	Target not specific but related target -1300 m of LV line constructed / upgraded	Target not met - variance by June 2015 740 m LV installed - variance 560 m - 56.92% achieved	Construction of new LV line at Ext 4 - Sterkspruit (Ward 10) - 500m	Target not met (variances in Project timeframes - Project not completed by Q4 as planned)	Targets set - Q1 -to Q4. The division attributes non completion to Excessive breakdown of Technical vehicles and to procurement delays resulting in material delays . The division creates the impression (consistently) that they may have a capacity and or human capital shortage issue. They further state that delays were affected by restriction placed on using interns and job creation staff /no approval for overtime or after hours work .The capacity/shortages in this division to be investigated and interventions be implemented . Performance management mechanism implemented to manage and monitor performance within the Electro Technical Division. The vehicle issue is once again raised (consistently) as a factor that prevents the target holder from achieving target milestones. The Directorate and Fleet Management division are to urgently implement measure to reduce all vehicle related risks as it seems to be a common factor in preventing the target holder in Electro Technical Division from achieving planned targets.	Q1 tender Notice Number 182-2015 advertised and demand plans submitted. Q2 it was anticipated that the project may have to stand over to the next FY due to delays with late Adjudication (December 2015). The MV line to be constructed before the LV line can be erected. Q3 the construction not started. BSD11-24 project to be in an advanced stage before the LV Overhead Line can start. Restriction in the use of interns & job creation staff led to delays /no afterhours work or equipment usage allowed. The Invoice Order Number. 72512 Material and Order number. 73152 for Material adjustment. Construction Started in Q4 .Excessive breakdown of Technical vehicles caused delays to project progress.
		BSD11-26	Fencing Sterkspruit store	No fencing	Director Technical R 60 000	Ensure access control-Security of assets	No target in 2014/2015	No target in 2014/2015	Erection of fencing (Sterkspruit store)	Target met	None	Q1-Procurement-Order Nr. 62106 and Invoice . Material was purchased. Order Nr. 12364 . Work to be done by Contractor. Q2-Completed. Material Orders Nr. 62106 & 50240 & 50181. Construction Order Nr. 12364./ Invoice

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
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To provide adequate office space for staff and parking by building new office and renovating existing buildings	OFFICE SPACE BDS12	BSD12-01	Renovate 2nd Floor (Old Age Home) and all infrastructure repairs in Lady Grey municipal buildings.	New Indicator	Director Development and Town Planning Services/ PMU Manager/Capital budget: R 1 200 000	Improved working environment for staff members	Renovation of Second Floor Offices (Technical Services)	Target not met -- variances to milestones in Q3 . It was planned for in Q3 for Procurement/ Construction to commence - Q4 it was Planned for project to be at Construction stage	Renovation of Second Floor Offices (Technical Services) Construction (Internal refurbishment of offices)	Projects is on hold due to changes in the scope and budget constraints	Finalisation of design for the project was a challenge. Project scope changed, increased more time for re designing - Project Placed on hold.	Q1-Design stage-Tender not be awarded due to budget constraints. Q2-Procurement diverted to Q3 as a resurvey of the ERF of the existing building - new fire escape routes on the north side of the building (required in terms of OHS Act).Q3/Q4-Procurement of contractor-Projects is on hold due to change of scope and budget constraints. Finalisation of design for the project was a challenge. Project scope changed, increased more time for re designing.
		BSD12-02	Renovation Mayoral House	Phase 1 completed	Director Development and Town Planning Services/ PMU Manager/ R 750 000	House Renovated -Improved lifespan of municipal property	No target in 2014/2015	No target in 2014/2015	Do Phase 2 Renovations	Project on hold - Project withdrawn - no funding	Project withdrawn - no funding. Budget & IDP committee withdrew this project - 3rd Feb 2016	Q1-Procurement of consultant - tender advertised procuring for consultants notice no. 181/2015. Q2-Design-The consultant appointed to do design December 2015 - Awaiting the outcomes of the budget adjustment to finalise the designs. Q3-Procure a contractor-Projects Placed on hold - project is not financially viable. Q4 the project was withdrawn by the Budget and IDP steering committee.
		BSD12-03	Parking Bay (Lady Grey offices)	New Indicator	Director Development and Town Planning Services/ Manager PMU/ R500 000	Parking Bay Constructed -Improved working environment for staff members	No target in 2014/2015	No target in 2014/2015	Construct a Parking Bay	Projects is on hold due to changes in the scope and budget constraints	Designs approved, Consultants has done the work, the money was way over than the projected . However construction could not be done	Q1-Procurment of consultant-tender advertised procuring for consultants notice no. 181/2015. Q2-The consultant to do the design appointed in December 2015. Awaiting the outcomes of the budget adjustment to finalise the designs.Q3Project placed on hold due to financial constraints (high bidding prices)Q4-Construction (Construction of layer works). Noted the Designs have been completed and approved - construction stills requires to occur.

KPA 2: LOCAL ECONOMIC DEVELOPMENT												
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To promote tourism in the Senqu area - Making the municipal area more attractive to investors, tourists and individuals	TOURISM LED01	LED01-01	Market Senqu Municipal area as a tourist destination	Brochures were printed in 2014/15	Director Development and Town Planning Services/ Manager IPED/ R 121 500	Brochures , advertisements in magazines and reports on attendance of tourism shows-Well marketed municipal area	Teardrop banners for all CTO's, brochures for CTO's, DVD and CTO attendance of tourism shows	Target met with variance	Brochures , advertisements in magazines and attendance of tourism shows	Target met	None	Q1-Information gathered for brochures and plan of attendance of Home Expo / shows sent to Standing Committee. A report was submitted with the summary of a plan of attendance of shows. An email was send to CTO's - no responses received the CTO's . Q2-Printing of brochures and show attendance as per the adopted schedule. Brochures printed internally for Lady Grey Tourism - Lady Grey business directory. Ink was procured for printing purposes . No shows were attended as there were no planned events of this nature , an amount of R1687 was spent on advertisement in the Beeld. Q4-Attenance at WTA and home expo shows - The Unit visited the WTA and Home Expo show in East London to determine whether or not these shows would be ideal places to market Senqu LM (Home Expo's are not identified as marketing platform for Senqu LM) . They were not. Brochures have been printed internally and they were assisted with advertisement.

KPA 2: LOCAL ECONOMIC DEVELOPMENT

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To promote tourism in the Senqu area - Making the municipal area more attractive to investors, tourists and individuals	TOURISM LED01	LED01-02	Strengthen and capacitate LTO and CTO's	2014/15 Reports	Director Development and Town Planning Services/ Manager IPED/ R 300 000	Procuring of items for CTO administration, CTO training & 4 LTO meetings-Improved integrated planning in tourism	Procurement of items for CTO administration & 4 LTO meetings	Target met	CTO administrative costs & 4 LTO meetings	Target met with variance - the challenges and the progress is acknowledged noted that this Demand driven target and has dependence on other external parties who have contributed to the variances in milestones.	Demand driven target and has dependence on other external parties who have contributed to the variances in milestones. Target must be reviewed ito the influence the milestones have on the target holder i.e. the efforts and progress made ito of the milestones can be negated by the influence that the external parties have on said target. The aspects where there is influence should be minimised and the areas where the target holders has influenced should be a focus area.	Q1-CTO administrative costs, training plan & 1 LTO meeting. The LTO meeting was not held as CTO's failed to attend planned for 11 August 2015 . Sterkspruit Tourism procured T-shirts and cricket hats to promote the members at the fun walk. Q2-Procuring of CTO items for administration, 1 training session & 1 LTO Meeting. Target met with variance additionally (Q1 target met in Q2). The LTO meeting sat on 20 October 2015. The training session did not occur as our partner ECDC could not organise a training service provider in the time required. Regarding administration fees, the fees for the Barkly East website were paid. A yearly domain renewal fee was implemented. Q3-Procuring of CTO items for administration & 1 LTO Meeting. R1250 was spent for Barkly East tourism website domain and the printing of Lady Grey business directory. Q4 - Procuring of CTO items for administration, 1 training session & 1 LTO Meeting - Meeting was held on the 10th May 2016. Procuring of items for CTO.

KPA 2: LOCAL ECONOMIC DEVELOPMENT

							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
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To promote tourism in the Senqu area - Making the municipal area more attractive to investors, tourists and individuals	TOURISM LED01	LED01-03	Conduct community tourism awareness	2014/2015 Annual Schools Competition	Director Development and Town Planning Services/ Manager IPED	School competition- Improved knowledge about Tourism in the area	2014/2015 Schools Competition & Festival held as scheduled.	Target met with a variance	2015/2016 Schools Competition	Target met	None	Q1-1 awareness day & schools competition (tourism month) -The schools competition was held on the 23rd of September 2015. An awareness event was held from 11 to 13 September 2015 . The awareness consisted of panel discussions on tourism, a road race and exhibitions and , a gospel festival in Sterkspruit.
		LED01-04	Promote existing events and introduce new events	Support of Stoepsitfees & Passion Play	Director Development and Town Planning Services/ Manager IPED	Successful events- Increased attraction of tourists	Support provision of SA skiing champs, Rhodes Stoep sit fees, Passion Play, Lammergeyer & Dirty Duathlon	Target met with variance	Support of 4 events/R99 500	Target Met	None	Q1-Support 1 event - The SA Junior Ski championships supported with T-shirts. Sterkspruit Tourism fun run and flea market on the 4th July 2015. The Municipality sponsored the event with medals. Q2-Support 1 event - The Barkly East Rocky Park festival was supported with the hire of a tent and a 100 bottles of water. Banners and gazebos were provided on loan. Q3 2 events were financially supported by the LED Unit. No target set for Q4.

KPA 2: LOCAL ECONOMIC DEVELOPMENT

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Create an conducive environment for existing, new and start-up business- To promote and attract development in the local economy through implementation of the LED Strategy	LED 02	LED02-01	Implementation of the LED strategy plan	New Indicator	Director Development and Town Planning Services/ Manager IPED/ R 976 000	Aligned Strategy-Coordinated LED Programmes	LED Strategy aligned - 12 Reports submitted for Standing Committee Consideration	Target met	Strategy Aligned (Q and Q2 - The LED Strategy annual implementation plan was submitted to the SC. and Q3 and Q4 - Reports to Standing Committee)	Target met (ito the way the target was structured - the challenges reported on noted)	Review the target in terms of the number of reports to be tabled considering (recess issues and MFMA - s52 (d))Whilst the target was met in terms of terms of the MFMA S 52(d), a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the performance /budget and the financial state of affairs of the municipality; it would appear that a Variance occurred this only as result of the way the target was constructed on the SDBIP in terms of number and in terms of tabling of reports - rolling over to other quarters - (factors that were beyond the control of target holder to be considered) in terms of the Standing Committee are often held at the beginning of a respective month and as result of this the statistical information for the last month of the respective quarter can only be done towards the end of the month and as resulting in a rollover to the next quarter). The milestones that are influenced by external parties must be considered when constructing targets as they can negate the effort made ito of the effort made by the municipality's in achieving a target.	Q1-LED Strategy annual implementation plan tabled to SC. Q2- The monthly reports for October 2015 tabled to the Standing Committee 19 November 2015 and November and December 2015 report tabled to February 2016 . Q reports tabled to SC .Q4-Reports on the implementation of the LED Strategy plan tabled to the standing committee during the financial year. Agriparks had a meeting 22 June 2016. Lucerne has been planted and SLA's signed with the BE emerging farmers and Mr Tauber. An Agricultural day was held 26 to 28 May 2016. Project visits were undertaken. An LED awareness day and combined EDF was held 18 May 2016. The informal trading policy could not be developed as SALGA who was partnering in the initiative stopped the initiative. A business audit could not be done due to lack of human resources.

KPA 2: LOCAL ECONOMIC DEVELOPMENT												
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Create an conducive environment for existing, new and start-up business-To promote and attract development in the local economy through implementation of the LED Strategy	LED 02	LED02-02	Number of LED intergovernmental platforms convened	4 Economic Development Forum meetings were held	Director Development and Town Planning Services/ Manager IPED	Meetings held-Integrated Approach on LED	4 Meetings Held per LED structure	Target met	4 EDF Meetings Held ,LED awareness day, Agricultural Indaba	Target met	None	Q1-1 EDF held 30 September 2015.Q2-A combined 1 EDF meeting and 1 LED awareness day held on the 10th December 2015 (noted council recess - no Standing committed during December 2015 or January 2016) Reports tabled to SC 16 February 2016 - reports do not form part the target for noting) Q3 1 EFD meeting held 17 February 2016. Q4-1 EDF Meeting held 18th May 2016 .An Agricultural indaba / Agricultural roadshow held from the 24th to the 26th May 2016. Agricultural indaba

KPA 2: LOCAL ECONOMIC DEVELOPMENT

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Create an conducive environment for existing, new and start-up business-To promote and attract development in the local economy through implementation of the LED Strategy	LED 02	LED02-03	No of work opportunities created through EPWP (Infrastructure)	Average of 35/month	Director Development and Town Planning Services/ Manager IPED	Number of jobs created-Improved socio economic conditions of the poor	Average of 30/month but dependent on tenders and project nature	Target Exceeded (Overall target exceeded)	Quarterly Report on the number of Jobs Created through EPWP - (4 reports - average of 30/month but dependent on tenders and project nature	Target Exceeded (Overall target exceeded) Target 30/month x 12 months = annual target of 360 - by Q4 (May 2016) reported that 2114 work opportunities were created through EPWP	None other than the division proceeding credible statistics ito EPWP - There are challenges associated with lack of supervision on the EPWP and Job creation projects , the participants are chosen per ward through the ward councillor and appointed Technical Committee - there are no proper recruitment criteria utilized - qualifications and skills are not used as a criteria when these participants are hired .Noted a policy framework and procedure has been developed - for council ratification - awaiting legal opinion ito certain aspects related to the new LRA	Q1-In the first two months of the Q1 251 jobs were created and in the last month the number decreased to 250. Reports were submitted to Standing Committee. Q2-report for October 2015 were tabled to Standing Committee on 19 November 2015 . November & December 2015 report tabled to Standing Committee on 16 February 2016. Council in recess during December 2015 to January 2016 & therefore no standing committees are scheduled to sit during this period. Q3-A total number of people actively participating in the programme in the quarter was 248.Q4-1445 engaged in April 2016 and by May 2016 - 2114 work opportunities created through EPWP.
		LED02-04	163 jobs created through slangbos eradication	104 created in 2014/15 phase 1 and 163 in phase 2	Funding from DEDEAT	163 temporary jobs-Poverty alleviation	No target in 2014/2015 (no direct target related to slangbos eradication)	No target in 2014/2015 (no direct target related to slangbos eradication)	163 jobs created through slangbos eradication	Target met	Reports have been submitted to the SC on monthly reports. 163 jobs have been created by the slangbos project.	Q1-Reports have been submitted to the SC on monthly reports. 163 jobs have been created by the slangbos project. Q2-The slangbos project ended 13 November 2015. A preliminary close out report has been submitted to DEDA but we are awaiting the final financial report from the finance department.

KPA 2: LOCAL ECONOMIC DEVELOPMENT												
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Create an conducive environment for existing, new and start-up business- To promote and attract development in the local economy through implementation of the LED Strategy	LED 02	LED02-05	Facilitation of CWP programme	2000 jobs created from 2014/2015	Director Development and Town Planning Services/ Manager IPED	Number of jobs created-Improved socio economic conditions of the poor	2000 jobs created	Target exceeded by Q4	2000 Created through CWP programme	Target exceeded by Q3 - Q4 reports tabled to SC. The project was and will no longer exist result of MSCOA implementation	None other than - Ongoing detailed reporting and credible statistics ito CWP	Q1-Quarterly Report - COGTA appointed service provider on the number of Jobs Created through CWP-Monthly reports have been submitted to the Standing committee. 2029 jobs in July, August 2012 and in September 2001 jobs were created. Q2-Initially 2129 jobs were created, 11 participants left and 2118 jobs remained and 80 participants were in the process of being recruited reports tabled to February 2016 SC Council in recess during December 2015 to January 2016 . Baking and sewing equipment was given over to the co-operatives. Q3-Initially 2129 jobs created, 11 participants left and 2118 jobs remained and 80 were in the process of being recruited - carried over form Q2 . Baking and sewing equipment was given over to the co-operatives. Q4-Quarterly report has been developed and submitted to SC

KPA 2: LOCAL ECONOMIC DEVELOPMENT												
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Create an conducive environment for existing, new and start-up business-To promote and attract development in the local economy through implementation of the LED Strategy	LED 02	LED02-06	No of jobs created through Job Creation Project	266/month	Director: Technical Services	Number of jobs created-Improved socio economic conditions of the poor	270 jobs created per month - Quarterly Report on the number of Jobs Created through Infrastructure Projects	Target not met	270/month jobs created through job creation project	Target on Hold - (removed /withdrawn)	This target /project will be removed /withdrawn in compliance with SCOA regulations as result of mSCOA	
		LED02-07	18 Hawkers Stalls for Sterkspruit	New Indicator	Director Development and Town Planning Services/ Manager IPED/ R1 863 100	Aligned Strategy-Coordinated LED Programmes	No target in 2014/2015	No target in 2014/2015	Strategy Aligned - Q1 Procure a services provider/Consultant. Q2 Construction of a concrete platform . Q3 Procure 18 units - supply & delivery Q4 - Construction of a concrete platform and installation of Hawker Units	Target met		Q1-Procure a services provider/Consultant -Tender advertised notice no. 181/2015. Target met .Q2-Construction of a concrete platform. The contractor will be appointed Q3.Procure 18 units - supply & delivery-a tender was awarded 19 March 2016. Q4-Construction of a concrete platform and installation of Hawker Units - Hawkers huts procured and delivered in June 2016

KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY													
							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016				
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To ensure the efficient and effective procurement of goods and services	LY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV/01	**MFMV/01-01**	Monitoring of the Implementation of departmental demand management plans	2014/2015 Implementation Report	CFO/Manager Supply Chain/ Departmental Demand Plans	Quarterly Reporting on the monitoring of Demand Plans- Improved Expenditure of Municipal Budgets and Control	4 Quarterly Departmental Demand Management Plan Status Reports	Target met	4 Quarterly Departmental Demand Management Plan Status Reports	Target met	Review of target ito the number of reports to be tabled considering (recess issues & MFMA S52 (d). Whilst the target ito MFMA - s52 (d))was met, within 30 days of the end of each quarter....; it would appear that a Variance occurred this only as result of the way the target was constructed on the SDBIP in terms of number and in terms of tabling of reports - rolling over to other quarters - (factors that were beyond the control of target holder to be considered) in terms of the Standing Committee are often held at the beginning of a respective month and as result of this the statistical information for the last month of the respective quarter can only be done towards the end of the month and as resulting in a rollover to the next quarter). The reporting on Traffic statistics are in line with Department of Transport statutory requirements. During the following FY the target will be reviewed in respect of the number of reports submitted to SC during the affected quarter/s these will be reduced and or increased and placed in correct quarters i.e. the targets affected by extenuating factors.	Q1-The report for Q1 was submitted to the finance standing committee 14 October 2015. Q2-1 repot (October 2015 tabled to SC council went into recess in December 2015 to Jan 2016 reports for November 2015 and December 2015 tabled with Q3 reports 16 February 2016.Q3-The report tabled to the finance standing committee 12 April 2016. 20 demand plans were submitted to the specifications and evaluation committee. Q4-1 Quarterly Report on monitoring the implementation of departmental demand management plans tabled to SC.

KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY

							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To ensure the efficient and effective procurement of goods and services	LY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	**MFMV01-02**	Establishment of the Contract Register for above R200 000 tenders and monitoring of those contracts	2014/2015 Implementation Report	CFO/ Manager Supply Chain/ SLA's/ Contracts from Departments	Monthly Monitoring Reports-Improved Expenditure of Municipal Budgets and Control	Contract Registers established for tenders above R200 000 and 4 quarterly monitoring reports	Target met	Contract Registers and 12 monthly reports	Target met	Review of target ito the number of reports to be tabled considering (recess issues and MFMA S52 (d).	Q1-1 report tabled covering the first quarters reporting tabled to the standing committee and the contract register was developed.Q2- The report for October 2015 was submitted to the finance standing committee 19 November 2015.Council in recess December 2015 to January 2016 .Project are managed monitored and reported on 34, 6 projects at the initial phase, 4 are at the beginning phase, 2 are at the halfway phase and 22 are complete but still in the retention period. The report for November 2015 and December 2015 tabled to with Q3 reports in February 2016 and to the SC held 18 March 2016 to the finance standing committee 12 April Q3-The performance of all contracts are managed , monitored and reported on, on a monthly basis. Q4-3 monthly reports tabled as planned. A register has been established and all contracts are monitored. Quarterly reports on Establishment of the contract register for above R200 000 tenders and monitoring of those contracts have been submitted to the finance standing committees.

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To ensure the efficient and effective procurement of goods and services	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	MFMV01-03	Number of tenders adjudicated within 3 months of advertisement	2014/2015 Adjudication Report	CFO/Manager Supply Chain/ Evaluation Report	Quarterly Adjudication Reports-Improved Expenditure of Municipal Budgets and Control	Number of tenders adjudicated within 3 months of advertisement - 4 Quarterly Reports on adjudicated tenders	Target not met - variances recorded in Q2 and Q3	4 Quarterly Reports on adjudicated tenders	Target met	None - other than to note - that during said FY other users Directorate and Divisions consistently raised that their targets were influenced by slow SCM processes this must be investigated and be verified if this is as stated). Targets constructed in the new FY must take cognizance of this when constructing targets that are influence by other factors.	Q1-The adjudication committee meeting held 23 September 2015. and the report was tabled to the Standing Committee. Q2-The adjudication committee meeting was held 1 December 2015 and reports tabled in February 2016 - as council were in recess during December 2015 and January 2016 .Q3-The report for Q3 tabled to the finance standing committee 12 April 2016. 10 tenders were adjudicated during this quarter. Q4- 1 quarterly report tabled to SC .Tenders adjudicated within 3 months of advertisement
		MFMV01-04	Purchase of TLB	Insufficient capacity	Director Technical Services/ Manager Supply Chain/ R 890 000	Maintained road infrastructure-Extended life of access roads within the Senqu Municipality	No target in 2014/2015	No target in 2014/2015	1 x TLB purchased	Target met	None Other than it is to be noted in reporting this Directorate raised that notwithstanding timeous adjudication processes in Q1 , the TLB was only purchased in the second quarter - unsure why this was reported as being an issue when the target was only set to be achieved by Q2.	Q1-Procuremnt-The demand plan was submitted, SCM processed same in October 2015. Q2- TLB purchased and invoiced as per planned target
		MFMV01-05	Office furniture Sterkspruit (Ward 10)	No furniture	Director Technical/ R 37 000	Reliable electricity supply-Reporting & service delivery	No target in 2014/2015	No target in 2014/2015	Purchase of desk, chairs, cabinets etc.	Target met with variances - extenuating circumstances	The furniture was received during the Q3, the supplier did not deliver on the previous order. The order was cancelled and new order was processed (Order number 73269). This was beyond the control of the target holder	Q1 technical Director tabled the request to the top management meeting and only quotations were submitted. Q2 & Q3 No targets set . In Q4 furniture received during the third quarter, supplier never delivered from the previous order. The order was cancelled and new order was processed Order number 73269.

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To ensure the efficient and effective procurement of goods and services	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	MFMV01-06	Purchase of one heavy duty multifunctional copy machine	No machine available	Director Technical Services/ Manager Supply Chain/ R200 000	Maintained road infrastructure	No target in 2014/2015	No target in 2014/2015	Purchase 1 x copy machine by Q4	Target not met	The target was amended from Q2 to Q4 during the adjustment budget time - however the purchase was declined	Q2-Target is considered not met as an assessment was not possible by Q2 - dismissed by CFO. The purchase for a heavy duty copy machine was declined in Q4 .
		MFMV01-07	Purchase LDV with cage	Insufficient capacity	Director Technical Services/ Manager Supply Chain/ R 238 700	Ensure waste collection and disposal	No target in 2014/2015	No target in 2014/2015	Purchase LDV (LDV with cage)	Target met	None	Q1-Procurement-Demand plan has been submitted. Q2-LDV purchased in the Q2
		MFMV01-08	Purchase 15T tip truck with cage	Insufficient capacity	Director Technical Services/ Manager Supply Chain R 707 100	Ensure waste collection and disposal	No target in 2014/2015	No target in 2014/2015	Purchase truck - (15T tip truck with cage)	Target met	None	Q1-Procurement -Demand plan has been submitted and minutes Q2-15T tip truck with cage purchased
		MFMV01-09	Purchase of Cherry Picker	Replacement of existing asset	Director Technical Services/ Manager Supply Chain/ R 698 578.95	Reliable electricity supply	Purchase of 1 Cherry Picker (KPI number in previous FY MFMV01-08)	Target met	1 X Cherry Picker purchased	Target met	None	Q1-Procurement-Demand plan has been submitted and minutes, notice no 137/2015. Q2-Purchased and delivered in Q2

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To manage, control and maintain all municipal assets according to MFMA regulations and good assets management practices	ASSET MANAGEMENT- MFMV02	MFMV02-01	Monitoring of Municipal Assets per Department	2014/2015 Monitoring Reports	CFO/Manager Supply Chain/ Additions Register	4 Quarterly Reports on Additions and one Reports on Disposals	4 Quarterly Reports on Additions and 1 Annual Report on Disposal	Target Met	4 Quarterly Reports on Additions and 1 Annual Report on Disposal	Target Met	Note it was raised during this FY by the Technical Directorate that it was found that information on Roads in the rural areas were not recorded and, if recorded, these were not recorded correctly ito km - this had an influence on either not achieving and or exceeding the Roads related targets set ito achieving a certain amount of km . This aspect to be investigated /updated /corrected.	Q1-The report for quarter 1 was submitted to the finance standing committee 14 October 2015. Q2-1 report tabled to SC in October 2015 and 2 reports tabled in February 2016 - as council were in recess during December 2015 and January 2016 Q3- All municipal assets are monitored and report tabled to the finance standing committee 12 April 2016. Q4-1 quarterly report tabled to the SC which sat on 20th of July 2016. All municipal assets are monitored on an ongoing basis and all asset additions have been recorded and reported quarterly to the standing committee. Some assets have been disposed.
		MFMV03-01	Reporting of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	2014/2015 Reports	CFO/Director Development and Town Planning Services/ Manager Supply Chain/ Manager Governance and Compliance	4 Quarterly Reports of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	Quarterly Reporting of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	Target met	4 Quarterly Reports of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	Target Met		Q1-The report for Q1 was submitted to the Finance Standing Committee 14 October 2015. Q2-Target not fully achieved in Q2. 1 report tabled to SC 19 November 2015 . 2 report tabled to SC with Q3 reporting February2016.Q3-The report for Q3 tabled to the Finance Standing Committee 12 April 2016. There was no Unauthorised, Irregular, Fruitless and Wasteful expenditure during this quarter. There were only minor deviations from the SCM policy amounting to R106 315,54. Q4-The report was tabled to the finance standing committee on the 20th of July 2016. Irregular expenditure amounts to R2 756. Unauthorised expenditure amounts to R252 602,90. There was no unforeseen and unavoidable expenditure. Minor deviations from the SCM policy amount to R109 534 , 47

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control and maintain all municipal assets according to MFMA regulations and good assets manageme	ASSET MANAGEMENT- MFMV02	MFMV03-02	Compilation and submission of Legislatively Compliant AFS	2014/2015 AFS	CFO/ R000/ All Directors R 250 000	Legislatively compliant AFS	Compilation and submission of Legislatively Compliant AFS /Compilation of 2013/2014 AFS by 31 August 2014	Target Exceeded	Compilation of 2014/2015 AFS by 31 August 2015	Target Exceeded	The financial statements were completed 29 August 2015 and submitted to the Auditor General 31 August 2015.	Q1-The financial statements were submitted to the Auditor General 31 August 2015.
		MFMV03-03	Reviewal of adopted financial policies annually	2014/2015 Reviewed policies	CFO/MANAGER Supply Chain/ Manager BTO/ Manager Revenue	Legislatively compliant policies	Reviewal of adopted financial policies	Target Met	Reviewed Financial Policies	Target Met	None	Q4-The changes were approved by council 6 June 2016, resolution 2,4.

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To manage, control and maintain all municipal assets according to MFMA regulations and good assets management practices	ASSET MANAGEMENT- MFMV02	MFMV/03-04	Report on the % of operational budget actually spent	2014/2015 Operational Budget Actually Spent	CFO/ R000/ Financial System/ All Directors	Monitoring and Implementation of the budget	Report on 100% Expenditure of the Operational Budget	Target not met - variance to OPEX expenditure - as at 30 June 86% operational budget spent . Report submitted to SC on Expenditure of the Operational Budget	Report on 100% Expenditure of the Operational Budget	Target Met with a variance to target - 18,12% variance - At the end of June 2016, 81,88% of the year to date operational budget has been spent.(Subject to Audit by AG)	None other than review of the way the target is constructed i.t.o. % expenditure - this Target would never be achieved i.t.o. of 100%	Q1-The reports were submitted to the Finance Standing Committee meetings, as at the end of Q1, 16,35 % of the operational budget has been spent. Budget amount is about R 197 522 000 and year to date expenditure is about R32 303 000. Q2-1 report October 2015 tabled to finance SC 19 November 2015and 2 reports Nov and Dec 2015 tabled in Q3 to SC 16 February 2016.- The year to date (31 March 2016) operational expenditure is standing at around R 111 964 000 and this is 74 % of the operational budget. Q3 The report for February 2016 tabled to the Finance SC 18 March 2016. The report for March 2016 tabled to the Finance SC 12 April 2016. Q4-Report tabled to EXCO and the finance SC. At 30 June 2016, 81,88% of the year to date operational budget has been spent.

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To manage, control and maintain all municipal assets according to MFMA regulations and good assets management practices	ASSET MANAGEMENT- MFMV02	MFMV/03-05	Report on % Capital budget actually spent	2014/2015 Capital Budget Actually Spent	CFO/ R000/ Financial System/ All Directors	Monitoring and Implementation of the budget	Report on 100% Expenditure of the Operational Budget	Target not met - variance to OPEX expenditure - as at 30 June 86% operational budget spent . Report submitted to SC on Expenditure of the Operational Budget	Report on 100% Expenditure of the Capital Budget	Target Met with a variance to target 41,14% - as at the end of June 2016, 58,86 of the year to date capital expenditure has been spent. All the monthly reports have been submitted to the standing committee. (Subject to Audit by AG)	None other than review of the way the target is constructed i.t.o. % expenditure - this Target would never be achieved ito of 100%	Q1-The reports were submitted to the Finance Standing Committee meetings, as at the end of Q1, 16,97 % of the capital budget has been spent. Budget amount is about R 34 019 000 and the year to date expenditure is about R5774 000. Q2-Target not fully achieved in Q2. Target requires 3 reports to be tabled to the SC by Q2 - Overall variance of 2 report -(detailed reporting is acknowledged) variance of 2 reports 66,66% achievement - 33,33% variance. The report for October 2015 was submitted to the Finance Standing Committee 19 November 2015 and the report for November 2015 and December 2015 will be submitted to the Finance Standing Committee 16 February 2016. Q3-The year to date (31 March 2016) capital expenditure is standing at around R 66 220 000 and this is 49,32 % of the operational budget. The reports were submitted to the finance standing committee on the 16th of February 2016. The report for February 2016 was submitted to the Finance Standing Committee 18 March 2016. The report for March 2016 will be submitted to the Finance Standing Committee 12 April 2016.Q4-Report on Capital Expenditure submitted

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To become a financial viable municipality that is able to account and report on all monies spent for service delivery purposes	FINANCIAL MANAGEMENT - MFMV03	**MFMV03-06**	Report on % of Conditional grants received actually spent	2014/2015 Conditional Grants Actually Spent	CFO/ R000/ Financial System/ All Directors	Monitoring and Implementation of the budget-Improved management of public funds and delivery of services	Report 100% Expenditure on Conditional grants received	Target not met -variance to grant expenditure as set target (100%) . 94 % expenditure achieved .	12 Reports on 100% Expenditure on Conditional grants received	Target met with a variance4,58% - As at the end of June 2016, 95,42% of the year to date grants have been spent.	None	Q1-3 Monthly Reports on 100% Expenditure on Conditional grants received-The reports were submitted to the Finance Standing Committee meetings, as at the end of Q1, 33.46 % of the grants have been spent. Q2-Target not fully achieved in Q2.Variance of 1 report. Target requires a report to be tabled to the SC in Q2 - Overall variance of 1 report -(detailed reporting is acknowledged) variance of 2 reports 66,66% achievement - 33,33% variance. The report for October 2015 was submitted to the finance standing committee 19 November 2015 and the report for November 2015 and December 2015 will be submitted to the Finance Standing Committee 16 February 2016. Q3-The year to date (31 March 2016) grant expenditure is standing at around R 185 108 000 and this is 86 % of the grants. The reports for December 2015 and January 2016 were submitted to the finance standing committee 16 February 2016. The report for February 2016 was submitted to the Finance Standing Committee 18 March 2016. The report for March 2016 will be submitted to the Finance Standing Committee 12 April 2016. Q4-Monthly Budget reports were submitted to the Executive committee through the Finance Standing Committee on a monthly basis. As at the end of June 2016, 95,42% of the year to date grants have been spent.

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To become a financial viable municipality that is able to account and report on all monies spent for service delivery purposes	FINANCIAL MANAGEMENT - MFMV03	**MFMV03-07**	Report on correct billing of consumers	2014/2015 verified actual correct billing reported	CFO/Manager Revenue 0000 /Financial System/	Number of consumers correctly billed- Improved Revenue collection and management of municipal financial resources	100% Correct billing of consumers with a 2% variance factor	Target met	12 Monthly Reports on 100% Correct billing of consumers with a 2% variance factor	Target Met	Review of target ito the number of reports to be tabled considering (recess issues and MFMA S52 (d). Reporting is required to reflect the % of Correct billing of consumers (a 2% variance factor) currently the reporting only reflects numbers - the reporting appears to indicate the % calculated - accounts issued vs payment and not what the target is set as - the target is to report on the accounts being 100% correct not payment vs number issued. The target may require review ito intent and purpose	Q1-3 Monthly Reports on 100% Correct billing of consumers with a 2% variance factor. The report for July 2015 was submitted to the Finance Standing Committee 21 August 2015. A total number of 12 501 accounts were billed, 9 151 accounts were fully paid. The report for August 2015 was submitted to the Finance Standing Committee 15 September 2015, 12 392 were billed of which 8 167 were fully paid. The report for September 2015 was submitted to the Finance Standing Committee 14 of October 2015 and 12 372 accounts were billed of which 8 242 were fully paid. Q2-1 report for October 2015 was submitted to the Finance Standing Committee 19 November 2015, 12 380 accounts were billed of which 8 475 were fully paid. The reports for November 2015 and December 2015 tabled to SC in February 2016 due to council recess , A total of 12 377 accounts were billed during the month of November 2015 and 8 558 were fully paid which is 69% of the billed accounts. Q3-The reports for December 2015 and January 2016 included in Q3 reporting tabled to SC 16 February 2016. The report for February 2016 was submitted to the Finance Standing Committee 18 March 2016. The report for March 2016 will be submitted to the Finance Standing Committee 12 April 2016. During December 2015 12 379 accounts were billed. During January 2016 12 384 accounts were billed. During February 2016 12 279 accounts were billed. During March 2016, 12 427 accounts were billed and 8 952 were fully paid. Q4-Reports tabled to the SC in June 2016, 12 442 accounts were billed of which the total number of fully paid accounts was standing at 8 657. - 69,57% of the said consumers paid their accounts

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To become a financial viable municipality that is able to account and report on all monies spent for service delivery purposes	FINANCIAL MANAGEMENT - MFMV03	**MFMV03-08**	Actual revenue collected	2014/2015 Total Revenue collected	CFO/ Manager Revenue/ Financial System	Total Planned Revenue collected-Improved Revenue collection and management of municipal financial resources	Monthly reports on the Collected Revenue	Target met - Monthly reports on the Collected Revenue submitted to SC . As at end August 2014, the payment rate was standing at around 67,14 %	4 Quarterly Reports on the Collected Revenue	Target Met - As at the end of quarter, the municipality has collected 83,54% of current billing. The report was submitted to Finance Standing Committee 20 July 2016	None - other than to note - that the actual revenue is captured monthly in the s71 reports submitted monthly to National Treasury by the 10th of the following month - Target to be reviewed ito of how it is reflected on the SDBIP i.t.o. of the number of reports to be tabled considering (recess issues and MFMA S52 (d).	Q1-Report for Q1 was submitted to Finance Standing Committee 14 October 2015. Q2-1 report and November 2015 and December 2015 tabled with Q3 reports to Finance Standing Committee on the 16 February 2016.Q3-As at the end of the quarter, the municipality has collected 60.09 % of revenue for municipal services and the payment rate is at 81,7 % (from 75,66 % from theQ2.) The report for February 2016 was submitted to Finance Standing Committee 18 March 2016. The report for March 2016 was submitted to the Finance Standing Committee 12 April 2016. Q4-As at the end of quarter, the municipality has collected 83,54% of current billing. The report was submitted to Finance Standing Committee 20 July 2016

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To become a financial viable municipality that is able to account and report on all monies spent for service delivery purposes	FINANCIAL MANAGEMENT - MFMV03	MFMV03-09	Financial viability as expressed by the ratios in the gazette.	New Indicator	CFO/MANAGER BTO/Financial System /All Directors	Report on Ratios -Improved management of municipal financial and other resources	1 Annual Report on Ratios	Target met. The report for the Financial viability as expressed by the ratios in the gazette was submitted the standing committee of the 21 July 2015	1 Annual Report on the Ratios	Target Met		The 2014-2015 financial ratios were prepared in accordance with MFMA circular 71, however the municipality is still experiencing a challenge when it comes to the level of expenditure in grants. The report was submitted to the Finance Standing Committee 20 July 2016.
		MFMV03-10	General Valuation Roll	2014/2015 Valuation	CFO/Manager Revenue/ R 634 000	Actual Valuation conducted -Program progress on first phase	No target in 2014/2015	No target in 2014/2015	1 Report on the General Valuation	Target Met		The report was tabled to the Finance Standing Committee 19 July 2016. The Valuation Roll was published and opened for public inspection from 25/01/16 to the 04/03/16. All affected property owners were notified in writing and no objections were received.
		MFMV03-11	Supplementary Valuation Roll	New Indicator	CFO/Manager Revenue/ R 500 000	Actual Valuation conducted -1 Supplementary valuation roll	No target in 2014/2015	No target in 2014/2015	1 Supplementary Valuation Roll conducted	Target Met		Q3-The valuation roll was opened and published from 25 January 2016 up until 4 March 2016 and no objections were received. The report was tabled to the Finance Standing Committee 12 April 2016.

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To become a financial viable municipality that is able to account and report on all monies spent for service delivery purposes	FINANCIAL MANAGEMENT - MFMV03	**MFMV04-01**	Management of Payment of Salaries	2014/2015 Payroll Reports	CFO/Director Corporate Services/ Manger Supply Chain/ Manager HR/ Financial System / Payroll amendment reports	Report on the payment of salaries- Improved management of municipal financial	12 Reports on All salaries paid monthly	Target met. 12 Reports on All salaries paid monthly	12 Reports on All salaries paid monthly	Target Met - Payroll is managed effectively, quarterly reports are submitted to the Standing committee. All salaries paid on time as per contract of employment, they were paid to the Friday closest to the 25th of every month.	Review of target ito the number of reports to be tabled considering (recess issues and MFMA S52 (d).	Q1-The report for July 2015 was submitted to the Finance Standing Committee 21 August 2015. The salaries for July 2015 were paid 26 July 2015 as per the calendar of events. R 3 109 214,41 was paid to employees and R 2 158 485,96 was paid to third parties. The report for August 2015 was submitted to the Finance Standing Committee- 15 August 2015, R 3 213 995,73 was paid to employees and R 2 126 385.42 was paid to third parties as per the calendar of events. The report for September 2015 were submitted to the Finance Standing Committee 14 July 2015. R 3 749 155.88 was paid to employees and 2 347 118.16 was paid to third parties. Q2- The report for October 2015 was tabled to SC 19 November 2015. The salaries, amounting to around R 3 720 966 were paid 23 October as per the calendar of events. The report for November 2015 and December 2015 tabled SC 16 February 2016 (together with Q3 reporting). R 6 312 594 was paid to employees 27 November 2015 and R 2 338 511 per the calendar of events. R 3 611 210 was paid to employees and R 2 426 518 -18 December 2015 as per the calendar of events. - The reports were submitted to the Finance Standing Committee on the 16th of February 2016. The report for February 2016 was submitted to the Finance Standing Committee 18 March 2016. The report for March 2016 will be submitted to the Finance Standing Committee 12 April 2016. Q4- report tabled to SC July 2016.

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STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To provide a credible budget	BUDGET COMPILATION - MFMV05	MFMV05-01	Compilation of the Annual budget 2016/2017	2014/2015	CFO/ Financial System/ All Directors /Dora / Legislative Directives / R 200 000	MFMA Compliant budget-Improved Municipal Financial Planning	2015/2016 MFMA Compliant budget by 31 May 2015	Target exceeded.	2016/2017 MFMA Compliant budget by 31 May 2016	Target exceeded.	None	Q3-1. Draft Budget compiled and tabled, 2. Notice of the Budget within 10 days after tabling. The draft budget has been compiled and was tabled to Council 31 March 2016. The draft budget was advertised, notice 55/2016, on the notice board and in 2 local newspapers. Q4-1. Final Draft Budget compiled and submitted for Council approval, 2. Notice of the Budget with 10 days after tabling -The 2016-2017 final budget was approved by Council 6 June 2016. The final budget was advertised on the notice board, notice 104-2016, 8 June 2016
		MFMV05-02	Adjustment budget by 28 February 2016	2014/2015	CFO/ Financial System/ All Directors / Legislative Directives	MFMA Compliant adjusted budget-Improved Municipal Financial Planning	MFMA Compliant 2014/2015 Adjustment budget by 28 February 2015	Target exceeded.	MFMA Compliant 2015/2016 Adjustment budget	Target Met	None	No targets were set for Q1 & Q2. In Q3 The adjustment budget has been compiled and was table to council on the 29th of February 2016. The adjustment budget was advertised, notice 40/2016, on the notice board and in 2 local newspapers. In Q4 no target was set for this quarter.Q3-1. Adjustment of the budget, 2. Notice informing the public of the adjustment within 10 days after the approval. The adjustment budget has been compiled and was table to Council 29 February 2016. The adjustment budget was advertised, notice 40/2016, on the notice board and in 2 local newspapers.

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To ensure that reporting is consistent with what is actually happening in the municipality and enhance financial monitoring	REPORTING - MFMV06	MFMV06-01	Development and submission of the section 71 (1) report (Submission to the Mayor and National Treasury within 10 working days)	12 section 71 reports for 2014/2015	CFO/Manager BTO/ Financial System / Treasury Template / All Directors	Compliance with Treasury Regulations and the MFMA-proved Financial Management and Reporting	MFMA Compliant Section 71	Target Met	MFMA Compliant Section 71 (1)	Target Met	None	Q1-The reports were submitted to the National Treasury, Provincial Treasury and the mayor of the municipality within 10 working days as prescribed. The dates are as follows, in August submitted 14, September 14 and October 13. Q2-The report for October 2015 was submitted to the Finance Standing Committee 19 November 2015, to the mayor of the municipality on 13 November 2015 and to Provincial and National Treasury on 12 November 2015. The report for November 2015 was submitted to the National Treasury on 14 December 2015. Q3-The reports are submitted within 10 working days as per the calendar of events. Q4- s71 Reports for 2015/2016 were submitted for Standing Committee consideration and to NT by the 10th of the respective months.

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To provide a reliable and effective ICT system	IT - MFMV07	**MFMV07-01**	Reviewal of the Disaster Recovery Plan	2013/2014 Review	CFO/IT Manager/Risk Officer / Software Service Provider Inputs	Reviewed Disaster Recovery Plan- Secured IT Date	Reviewed Disaster Recover Plan (Final Draft Framework) by Q4	Target not met -variance to timeframe	Disaster Recovery Reviewal	Target Met - Final Draft Framework-The ICT Governance Framework was approved on 30 June 2016, council resolution 10,3,2.	The disaster recovery plan forms part of the ICT governance framework. The target will be reviewed and one target will be constructed	Q3-Reviewal of the Plan-PriceWaterCoopers are reviewing the policies and had meetings with the Information Technology Manager and all user Directorates . The consultants (PWC) managed the process - all documents designed by PWC (IT Manager to review). The IT Governance Framework incorporates the Disaster Recovery Plan in form of policy. Q4-Final Draft Framework-The ICT Governance Framework was approved on 30 June 2016, council resolution 10,3,2.

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To provide a reliable and effective ICT system	IT - MFMV07	**MFMV07-02**	IT Governance Framework	New Indicator	CFO/IT Manager/ R620 000	IT Governance Framework Developed-Improved Management of IT	Reviewed Disaster Recover Plan (Final Draft Framework) by Q4	Target not met -variance to timeframe	IT Governance Framework	Target Met - Final Draft Framework-The ICT Governance Framework was approved on 30 June 2016, council resolution 10,3,2.	The disaster recovery plan forms part of the ICT governance framework.	Q3-Reviewal of the Plan-PriceWaterCoopers are reviewing the policies and had meetings with the Information Technology Manager and all user Directorates . The consultants (PWC) managed the process - all documents designed by PWC (IT Manager to review). The IT Governance Framework incorporates the Disaster Recovery Plan in form of policy. Q4-Final Draft Framework-The ICT Governance Framework was approved on 30 June 2016, council resolution 10,3,2.

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							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To provide a reliable and effective ICT system	IT - MFMV07	MFMV07-03	Reviewal of the IT Security Policy	2014/2015 Review	CFO/ Manager IT	Reviewed IT Security Policy	Reviewal of the IT Security Policy	Target not met - variance to timeframe	Policy Reviewed	Target met	None	Q4-The ICT Security policies were approved on 30 June 2016, Council Resolution 10,3,3
		MFMV07-04	Systems downtime for emails and internet as a result of hardware or network failure	> 3 hrs. per incident	CFO/Manager IT	Server Downtime monitored	12 Systems Downtime Monitoring Reports for File Server, Backup domain controller, Conlog Server, Cloud Server, Email Server	Target Met	12 Reports on the Systems downtime for emails and internet as a result of hardware or network failure	Target met	None other than review of target ito the number of reports to be tabled considering (recess issues and MFMA S52 (d).	Q1-The report for July 2015 was submitted to the Finance Standing Committee on 21 August 2015. The report for August 2015 was submitted to the Finance Standing Committee on 15 September 2015. The report for October 2015 was submitted to the Finance Standing Committee on 14 October 2015. Q2-The report for October 2015 was submitted to the Finance Standing Committee on 19 November 2015.The report for November 2015 and December 2015 tabled with Q3 reports to the Finance Standing Committee on 16 February 2016. due to council going into recess Dec 2016 until Jan 2016. Q3-The downtime of emails and internet , as a result of hardware and network failure, is monitored on a monthly basis. The reports tabled to the finance standing committee on the 16th of February 2016. The report for February 2016 was submitted to the Finance Standing Committee on 18 March 2016. The report for March 2016 will be submitted to the Finance Standing Committee on 12 April 2016. Q4- There is an ongoing management of system downtime for emails and internet as a result of hardware or network failure. Reports were submitted to the standing committees.

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To provide a reliable and effective ICT system	IT - MFMV07		Monitoring and Maintenance of the Servers	New Indicator	CFO/Manager IT	Maintained Servers	4 Monitoring and Maintenance Reports on Servers	Target Met	12 Reports on the monitoring of usage of municipal fleet	Target met	None - review of target ito the number of reports to be tabled considering (recess issues and MFMA S52 (d).	Q1- The report for July 2015 was submitted to the Finance Standing Committee on the 21st of August 2015. The report for August 2015 was submitted to the Finance Standing Committee on 15 September 2015. The report for October 2015 was submitted to the Finance Standing Committee on 14 October 2015. Q2- The report for October 2015 was submitted to the Finance Standing Committee on 19 November 2015.The report for November 2015 and December 2015 will be tabled with Q3 reports to the Finance Standing Committee on 16 February 2016. due to council going into recess Dec 2016 until Jan 2016. Q3- The servers are monitored on a monthly basis. The reports were submitted to the finance standing committee on 16 February 2016. The report for February 2016 was submitted to the finance standing committee on 18 March 2016. The report for March 2016 will be submitted to the Finance Standing Committee on 12 April 2016 .Q4-All reports submitted as required. Ongoing of monitoring and maintenance of the servers

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To provide a reliable and effective ICT system	IT - MFMV07	MFMV/08-01	Monitor the usage of the Municipal Fleet in line with the Municipal approved policy on Fleet Management	New Indicator	CFO/Manager Supply Chain	Fleet Monitored	No target in 2014/2015	No target in 2014/2015	12 Reports on the monitoring of usage of municipal fleet	Target met	None - review of target ito the number of reports to be tabled considering (recess issues and MFMA S52 (d).	Q1-All municipal vehicles have a tracker in order to monitor the location and the speed of the vehicles at all times. Operators who drive above the speed limit or who abuse the vehicles are reported to Corporate Services so that necessary disciplinary action if required can be instituted. The Q1 reports were tabled to the Finance SC which sat July 2015 ,21 August 2015 and 15 September 2015. The report for September 2015 tabled to the Finance SC 14 October 2015. Q2-The report for October 2015 tabled to the Finance SC 19 November 2015. The report for November 2015 and December 2015 tabled with Q3 reports to the Finance Standing Committee on 16 February 2016 - due to council going into recess Dec 2016 until Jan 2016.Q3-The usage of the municipal fleet is monitored in line with the approved policy. The reports for Q3 were tabled to the Finance SC which sat on 16th of February 2016,18 March 2016 and 12 April 2016. Q4- Ongoing monitoring /usage of municipal fleet in line with the approved Fleet Management policy report tabled to Finance SC In Q4 The reports for Q4 tabled to the Finance SC which sat one 17th May 2016.14th June 2016 and , 20th July 2016

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							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
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To have an effective and Transparent performance driven organization capable of effective service delivery and sound administration-To develop, adopt and implement the workplace skills plan	SKILLS DEVELOPMENT - MTID01	MTID01-01	Development of the 2016/2017 WSP by 30 April 2016	2015/2016 WSP	Director Corporate/ Manager HR	WSP Developed-Improved capacity of employees to carry out their duties	2014/2015 WSP developed and submitted to LGSETA)	Target met. The WSP and annual training report together with supporting documents was submitted timeously to the LGSETA.	2016/2017 WSP Developed and submitted to LGSETA	Target met.	None	Q4-Submit the WSP BY 30 April 2016-2016/2017 WSP Developed and submitted to LGSETA on 30 April 2016. The report stating so was submitted to the standing committee of July 2016
		MTID01-02	Report on the trainings held in terms of the Workplace Skills Plan	2014/2015 WSP Implementation Report	Director Corporate/ Manager HR	Capacitation of employees-Improved capacity of employees to carry out their duties	2014/2015 Implementation Reports as per WSP	Target met. Quarterly Report 2014/2015 Implementation Reports as per WSP - Training conducted in accordance with the WSP.	4 Quarterly Reports on trainings implemented	Target met.	None	Q1-9 trainings programmes were implemented in terms of the WSP where 49 employees were trained. It should be noted that some employees attended more than one training programme. Q2- 8 training programmes were implemented in terms of the WSP where 29 employees were trained. It should be noted that some employees attended more than one training programme. Q3-09 training programme were implemented in terms of WSP. Q4-1 Quarterly Report on trainings held in terms of workplace skills plan -32 Training programme were implemented and officials were trained and capacitated as per WSP

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To have an effective and Transparent performance driven organization capable of effective service delivery and sound administration-To develop, adopt and implement the workplace skills plan	SKILLS DEVELOPMENT - MTID01	MTID01-03	Report on the trainings held for councillors in terms of the Workplace Skills Plan	2014/2015 Councillors Training Implementation Report	Director Corporate/ Manager HR	Capacitation of Councillors-Well Informed and capacitated Political Arm	Councillor training implementation reports for 2014/2015	Target met.	4 Quarterly Reports on trainings implemented	Target met.	None	Q1-1 Quarterly report -additional CPMD modules were implemented where 2 Councillors were trained. Q2-Target not fully achieved in Q2. Variance of 1 report. Target requires a report to be tabled to the SC in Q2 - Overall variance of 1 report -progress is acknowledged-2 councillors were trained in CPMD modules and 1 in project management. Q3-The report for training and development on staff and councillors was submitted to the standing committee and there were no councillors trained during the quarter. Q4-The report for training and development on staff and councillors was submitted to the standing committees of the financial year

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To have an effective and Transparent performance driven organization capable of effective service delivery and sound administration-To develop, adopt and implement the workplace skills plan	SKILLS DEVELOPMENT - MTID01	**MTID01-04**	Report on communities trained	2014/2015 Communities Training Implementation Report	Director Corporate/ Manager HR	Capacitation of Communities-Skilled and informed communities	2014/2015 Community Training Reports	Target met Q2 80 learners were granted Learnership programmes or bursaries. In Q3 10 unemployed youth from Rhodes and Rossouw is attending the NQF4 Learnership in Local Government support services	1 Report on trainings implemented	Target met.	None	Q4-3 Trainings were implemented during this final quarter of the financial year and 63 people were capacitated.
		MTID01-05	Report on internships and learnership opportunities created	2014/2015 Internships and Learnership Report	Director Corporate/ Manager HR	Experienced young graduates and matriculates-Work ready graduates and matriculants	014/2015 Internship Reports.	Target met - The NQF4 Learnership in Local Government support services for 10 unemployed youth from Rhodes and Rossow,finalised their theory in this quarter. Senqu Municipality has 8 interns employed under the FMG.	1 Report on the internships and learnerships created	Target met.	None	Q4-1 Report on internships and learnership opportunities created. the report were submitted to the standing committee on the 19 July 2016, where three members of the community were awarded a bursary to in order for them to further their studies and be capacitated.
		MTID01-06	Report on Finance interns appointed in accordance with FMG standards	2014/2015 Finance intern database	Director Corporate/ Manager HR	Experienced young graduates -Work ready graduates	2014/2015 Reports/ Internship Reports.	Target met. In the first quarter 8 FMG interns are employed in Senqu Local Municipality. The report was submitted to the standing committee.	1 Report on the internships and learnerships created	Target met.	None	Q4-1 Report on Finance interns appointed in accordance with FMG standards. The report was submitted to the standing committee meeting on the 19 July 2016, where internships for financial management grant, municipal infrastructure grant and job creation were developed for 2015/16 financial year.

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To have an effective and Transparent performance driven organization capable of effective service delivery and sound administration- To develop, adopt and implement the workplace skills plan	SKILLS DEVELOPMENT - MTID01	**MTID01-07**	Report on staff who meet Minimum Competency levels (as prescribed by NT)	2014/2015 Reports	Director Corporate/ Manager HR	Capacitation of employees-Improved capacity of employees to carry out their duties	2 Bi-annual reports submitted to the standing committee for information.	Target met - in terms of target set i.e. reporting on the progress - Bi-annual reports submitted to the standing committee for information..	4 Quarterly Reports	Target met - Gaps identified during the first half of the financial year there have been gaps identified staff who meet minimum compliance. Ratified during the last 6 months of the FY - 100% compliance rate of financial officials that are meeting minimum competencies was reported as prescribed by National Treasury.	None	Q1-1 Quarterly report. 93% of financial officials are meeting minimum competencies as prescribed by NT. Only 1 Director doesn't meet minimum competency. Q2-1 quarterly report -Target not fully achieved in Q2.Variance of 1 report. Target requires a report to be tabled to the SC in Q2 - Overall variance of 1 report -detailed reporting and progress is acknowledged-93% of financial officials are meeting minimum competencies as prescribed by National treasury. Only 1 Director doesn't meet minimum competency. Q3-1 Quarterly Report on staff who meet Minimum Competency levels (as prescribed by NT)-1 report was submitted to the standing committee meeting where 100/% compliance rate of financial officials are meeting minimum competencies as prescribed by National Treasury. Q4-The reports have been submitted throughout the financial year, although during the first half of the financial year there have been gaps identified in terms of people who meets minimum compliance. During the last 6 months of the fin. year the situation improved 100% compliance rate of financial officials that are meeting minimum competencies was reported as prescribed by National Treasury.

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To have an effective and Transparent performance driven organisation capable of effective service delivery and sound administration	SKILLS DEVELOPMENT - MTID01	MTID01-08	Ensure proper utilisation of Leave	2014/2015 Reports	Director Corporate/ Manager HR	Leave Management Reports developed -Improved Leave Management	No target in 2014/2015	No target in 2014/2015	12 Reports	Target met	None	Q1-3 monthly reports - leave reports were submitted to the standing committee for July, August and September 2015 . Q2-Target not fully achieved in Q2.Variance of 2 reports (November and December 2015). Target requires a report to be tabled to the SC in Q2 - Overall variance of 1 report -detailed reporting and progress is acknowledged. leave reports were submitted to the standing committee for October and November 2015. Q3- All required reports on leave management were submitted to the standing committee meeting for February, March and April 2016. Q4-3 monthly reports- All required reports on leave were submitted to the standing committee meeting of the financial year 2015/2016.
		MTID01-09	Leave Audit	2014/2015 Reports	Director Corporate/ Manager HR	Leave Audits Undertaken -Improved Leave Management	No target in 2014/2015	No target in 2014/2015	2 Leave Audits conducted (Q2 and Q4)	Target met	The target does not directly indicate that the leave audit must be tabled to the SC (it may be a verbal arrangements but is not documented therefore it can be argued that the reporting to SC is not relevant .The target simply requires 1 leave audit to be conducted in Q2 and 1 leave audit to be conducted in Q4 .(Phrasing /Setting Reporting on targets must be in line with the intent of what the target is trying to achieve i.e. if reporting to SC is required it must form part of the said target (reporting being a monitoring tool)note that if reporting forms part of said target , it should include the overall purpose of what the target is trying achieve i.e. leave audit and result of same.	Q2-1 leave audit - A leave audit was conducted and submitted to the relevant directors and managers. Q4-1 leave audit -1 leave audit was conducted in Q4 quarter

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To promote effective and inspiring governance	EMPLOYMENT EQUITY - MTID02	MTID02-01	Review the Employment Equity Plan for 2015/2016 by 15 January 2016	2014/2015 Employment Equity Plan	Director Corporate Services/ Manager Human Resources	Plan developed and implemented -Equal Employment Opportunities for all	Review and Implement the Employment Equity Plan for 2014/2015 and 10 Monthly Reports submitted for Standing Committee Consideration and the Reviewed Plan submitted to the DoL	Target Met	Plan submitted to DoL	Target met	None	Q3-Plan Reviewed and submitted to DoL. Employment equity plan reviewed and submitted to the department of labour, Receipt of DOL acknowledgement of successful completion and submission (Electronic format).
		MTID02-02	Report on employees employed in accordance with the Employment Equity targets	2014/2015 Report	Director Corporate/ Manager HR	Reports compiled-Balanced Equity in the employment of the municipality	Bi-annual reports on the number of people employed in terms of the approved Employment Equity Plan	Target met	4 Quarterly Reports	Target met - 39 appointments were up until June 2016 in line with EE targets - Noted 4 appointments were not in line with the employment equity targets but the diversion can be motivated with evidence (accepted norm with DOL). EE targets to be reviewed annually	Target in EE plan may be reviewed annually (to ensure window dressing does not occur) appointment can often not be made in plan as it may be that the candidates do not meet the min req of a post or are found not suitable (circumstances to be considered) these can be motivated with evidence itis an accepted not with DOL	Q1-1 Quarterly report-16 appointments were made between July 2015 and September 2015. 13 appointments were in line with the employment equity targets. 3 appointments were not in line with our targets as no suitable candidate in line with our targets could be recruited. Q2-1 Quarterly report -8 appointments were made between October and November 2015. 7 appointments were in line with the employment equity targets. 1 appointment was not in line with our targets no suitable candidate in line with our targets could be found. Q3-1 quarterly report -10 appointments were made between January, February and March 2016. 10 appointments were inline with the employment equity targets. Q4-1 quarterly report

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To have an effective and Transparent performance driven organisation capable of effective service delivery and sound administration	RECRUITMENT, SELECTION AND EMPLOYEE MANAGEMENT - MTID03	MTID03-01	Reviewal of the organogram inline with the regulations on appointment of senior manager (Reg37245)	2014 Approved Organogram	Director Corporate Services/ Manager Human Resources	Reviewed Organogram -Improved Recruitment of staff in the municipality	Draft Organogram submitted to the Municipal Manager for tabling to Council	Target met	Organogram Reviewed	Project on hold - Project withdrawn - no funding	Target removed for this financial year as the organogram was not going to be reviewed.	
		MTID03-02	Number of vacancies filled within 3 months of being vacant	2014/2015 Reports on posts filled within 3 months of being vacant	Director Corporate/ Manager HR	Reports compiled- Effective Human Resource Management	Report (number of posts filled within 3 months of being vacant)	Target met .	4 Quarterly Reports	Target met .	None	Q1-1 quarterly report -1 Position was vacant in the quarter and was advertised, will be filled within 3 months: Records/Archives Clerk. Q2- quarterly report -5 vacancies were filled between October and November 2015. No critical posts were vacant for longer than 3 months. Q3- quarterly report -5 vacancies were filled between October and November 2015. No critical posts were vacant for longer than 3 months.Q4- Quarterly reports have been submitted to the standing committees on number of vacancies filled within 3 months of being vacant

KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT													
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STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To have an effective and Transparent performance driven organisation capable of effective service delivery and sound administration	RECRUITMENT, SELECTION AND EMPLOYEE MANAGEMENT - MTID03	MTID03-03	Number of new positions filled as per the approved organogram	2014/2015 Reports on posts filled within 3 months of being vacant	Director Corporate/ Manager HR	Reports compiled- Effective Human Resource Management	No target in 2014/2015	No target in 2014/2015	4 Quarterly Reports on 22 positions to be filled	Target met .	None	Q1-1 quarterly report -02 newly funded positions were filled between July and September 2015. Q2-1 quarterly report - one newly funded positions was filled between October and November 2015. Q3- 1 quarterly report -No new positions were filled as per the organogram. Q4-1 quarterly report -Quarterly reports were submitted to the standing committee meetings. 4 newly funded position were filled during the financial year.

KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

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To build a healthy, competent and effective workforce	EMPLOYEE WELLNESS PROGRAMME - MTID04	**MTID04-01**	Number of reports on the functionality of the employee wellness programme	2014/2015 Functionality Reports	Director Corporate/ Manager HR	Actual Wellness Programmes implemented-Improved state of Municipal Employees	4 Quarterly Reports on the Implementation of Employee Wellness Programmes	Target met . The Policy is being implemented. Staff members are identified some joint voluntarily for the EAP programme. First consultations with occupational therapist scheduled for 12 September 2014. Staff has been identified for EAP and the first consultation of 2 employees took place on 13 Sep 2014. Group counselling by FAMSA took place on 10 and 11 November 2014	4 Quarterly Reports	Target met .	None	Q1-Report submitted to standing committee.2 new referrals for staff to participate n the EAP programme were received. Q2-Report submitted to standing committee.1 new referrals for staff to participate n the EAP programme were received. Q3-1 quarterly report submitted to the standing committee meeting. 01 new referrals for staff to participate in the EAP programme was received. Q4-Report was submitted to the standing committee meetings. Employee Wellness day was held on the 20th of May 2016 and +/- 230 employees participated. 4 referrals for staff to participate in the EAP programme were facilitated during the financial year.
To provide a healthy and safe working environment	OCCUPATIONAL HEALTH AND SAFETY - MTID05	**MTID05-01**	Number of OHS inspections conducted in all offices	2014/2015 Inspection Reports	Director Corporate/ Manager HR	Number of inspections held-Improved working Environment of Municipal Employees	4 Quarterly Inspection Reports	Target met .Quarterly Inspection Reports submitted	4 Quarterly Reports submitted to the OHS Committee	Target met .	None	Q1-OHS inspection are held every month and a report is submitted to OHS committee and Standing committee. Q2-OHS inspection were held and a report is submitted to OHS committee and Standing committee. Q3-OHS inspections were conducted and quarterly report submitted to the standing committee. Q4-1 Quarterly Report on a number roof OHS inspections conducted in all offices
To promote fair Labour Practices	LOCAL LABOUR FORUM - MTID 06	**MTID06-01**	Number of Local Labour Forum meeting held	2014/2015 Meeting Held	Director Corporate/ Manager HR	Number of meetings held-Improved Relations between the Employer and Employees	4 LLF meetings held	Target met .	4 Meetings held in 2014/2015	Target met .	None	Q1-Meeting held on 02 September 2015. Q2-LLF meeting was held on 25 November 2015. Q3-LLF meeting held on 24 February 2016. Q4-1 Quarterly Report on a number roof OHS inspections conducted in all offices. 4 Local labour forum meetings were held during the financial year.

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To eliminate the number of litigations against the municipality	LEGAL SERVICES - 07	MTID07-01	Report Bi-Annually on Management of all Municipal Lease agreements	2014/2015 Lease Agreements	Director Corporate/ Manager HR	Reports prepared -Improved Management of Lease Agreements	4 Quarterly Inspection Reports	Target met. The database for lease agreements is developed and the status is monitored. Although there are still challenges as some of the lease agreements have lapsed and there are also amounts in arrears for the period longer than 3 months. A Report was submitted to standing committee. The Lease register is been updated with properties in the Municipality and reports were submitted to the standing committee	2 Bi-Annual reports on management of all municipal lease agreements	Target met .	None - other (Phrasing /Setting Reporting on targets must be in line with the intent of what the target is trying to achieve i.e. if reporting to SC is required it must form part of the said target (reporting being a monitoring tool)note that if reporting forms part of said target , it should include the overall purpose of what the target is trying achieve.	Q2-1 Report submitted to the standing committee for noting. Reports on management of municipal lease agreements have been submitted to standing committees as required
		MTID07-02	Bi-Annually Reporting on the status of Legal cases the municipality is involved in	2014/2015 Reports	Director Corporate/ Manager HR	Reports prepared -Improved Relations between the Employer and Employees	Reporting on the status of Legal cases the municipality is involved in. 12 Monthly reports	Target met - Monthly reports submitted to SC	2 Reports on the status of legal cases the municipality is involved in.	Target met .	None - other (Phrasing /Setting Reporting on targets must be in line with the intent of what the target is trying to achieve i.e. if reporting to SC is required it must form part of the said target (reporting being a monitoring tool)note that if reporting forms part of said target , it should include the overall purpose of what the target is trying achieve.	Q2-1 report was submitted to the standing committee for noting. Q4-1 Report on the status of legal cases the municipality is involved in.

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To provide manage municipal matters within prescribed legislations and policies	POLICIES AND BY-LAWS - MTID 08	MTID08-01	Facilitate the Reviewal, and adoption of Municipal By-laws	Not fully achieved in 2014/2015	Director Corporate/ Manager HR/ R300 000	Reviewed By Laws-Improved management of municipal affairs	10 By Laws Reviewed	The target not met	Reviewal of Municipal By-Laws that are outdated	Target not met	None	Q4-Review Outdated By-Laws - The process is still with the Service provider and not finalised yet.
		MTID08-02	Facilitate the Reviewal of all municipal policies by 30 June 2016	2014/2015 Reviewed Municipal Policies	Director Corporate/ Manager HR	Reviewed Policies -Improved management of municipal affairs	All Municipal Policies Reviewed	Target Exceeded	Identified Policies reviewed	Target met .	None	Q4 - Identified Policies reviewed -Council meeting that was held on 6 June 2016. Note not all policies were required to be were reviewed.
		MTID08-03	Consolidation of Institutional Procedure Manuals	2014/2015 developed Procedure Manuals	Procedure Manuals consolidated into one document	Procedure Manuals Booklet-Improved management of municipal affairs	Procedure Manuals developed / Adopted and consolidated	Target not met as planned.	Consolidate all Procedure Manuals into one document	Target not met	Consolidation of procedure manuals will be done in the next financial year	Q4 - Consolidated Procedure Manuals-Consolidation of procedure manuals was not done during this financial year
To provide for suitable and secure working conditions for municipal staff and councillors		MTID09-01	Manage and facilitate the provision of security services to all municipal properties	Target not fully achieved in 2014/2015	Director Corporate/ Manager Admin/ R500 000	Municipal Buildings secured -Secured municipal property	Manage and facilitate the provision of security services to all municipal properties	Target not met as planned.	4 Quarterly Reports on the provision of security services to all municipal buildings.	Target not met (25% of the target was met)	Manage reporting requirements (institute steps against target holder unless there were reasons to support non compliance of reporting ito security service - this target will carry with it performance and financial issues and should monitored and reported on, Targets that have performance and financial implications must be reported on.	Q1-Reports were not submitted to update the SC of the status of contracting the security company, the Directorate did however the request for extension of a contract dated 10 July 2015 was sent to Joe Gqabi DM. (s32 appointment) Q2-reporting requirements not met Q3-Report on Security was tabled to SC. Q4- The Quarterly Report on the provision and performance of securities-was not met
		MTID09-02	Development and Implementation of the Repairs and Maintenance Plan	2014/2015 Reports	Director Corporate/ Manager Admin/ R405 000	Number of buildings actually repaired -Improved management of municipal assets	Quarterly Reports on Repairs and Maintenance of Municipal Buildings	Target Met	4 Quarterly on the Implementation of the Repairs and Maintenance Plan	Target not met (reporting was not to required standard and information presented outdated)	Manage reporting requirements (institute steps against target holder unless there were reasons to support non compliance of reporting ito Repairs and Maintenance Plan - this target will carry with it performance and financial issues and should monitored and reported on, Targets that have performance and financial implications must be reported on.	Q1-Report tabled to the standing committee with all repairs and maintenance done.Q2-one quarterly report tabled . Q3-The report on repairs and maintenance of buildings tabled to the standing committee of Feb 2016 the report was not updated and was presented with prior months reporting - reflecting previous quarter information. Q 4 no reporting

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To safe guard municipal information in an effective manner	RECORDS MANAGEMENT - MTID10	**MTID10-01**	Implementation Electronic Document Management System	Target not fully achieved in 2014/2015	Director Corporate/ Manager Admin	Electronic Document Management System implemented- Improved management of Council Documents	Quarterly Report on the Effectiveness of the Electronic Documents Management System	Target not Met -variances	4 Quarterly on the Implementation of the Repairs and Maintenance Plan	Target met with variance - extenuating circumstances (Technical problems with said system)	The technical problems identified with said system must be managed and dealt with.	Q1-There are still technical problems with regards to the functioning of the system. An item was submitted to the standing committee for August 2015 detailing the actual problems . Q2-1 report October 2015 tabled to SC - Challenges acknowledged from Q1 reports for November and December 2015 tabled with Q3 reporting to SC in February 2016 . Q3-An item was submitted to the standing committee for February 2016. There technical issue experienced with the system remain - the system can be accessed through the Senqu server through cloud . Q4-1 quarterly report- tabled to the standing committees. There were delays in the functioning of the system due to technical problems experienced with the system. At financial year end the system was deemed to be functioning /running better with the odd technical problem - correspondence can be sent internally- there remains a challenge with external correspondence.

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To have an effective and Transparent performance driven organisation capable of effective service delivery and sound administration	PERFORMANCE MANAGEMENT AND REPORTING - MTID11	MTID11-01	Reviewal of the Performance Management Policy	2009 Reviewed Performance Management Policy	Director Development and Town Planning Services/ Manager Governance and Compliance	PMS Policy Reviewed-Improved Monitoring and Evaluation within the municipality	Reviewal of the PMS Policy	Target not met.	Review the policy	Target met .	None	Q1-The service provider was only appointed in September, the project in the Q2. Q2-This target was initially set for the first quarter but due disagreements form unions at LLF and the input from management on cascading it took more time than anticipated. The policy was developed and must be submitted to all relevant committees for comments and be sent to Council for Approval in the Q3.
		MTID11-02	Signing of Performance agreements with the Municipal Manager and Section 56 Managers	2014/2015 Signed Performance Agreements of s56 Managers	Director Development and Town Planning Services/ Manager Governance and Compliance	Signed Agreements-Structured and Improved Planning, Monitoring and Evaluation	6 Signed Performance Agreements (All s56 Managers)	Target not Met - variances to timeframes	6 Signed Performance Agreements	Target met .	None	Q1-Signed Performance Agreements loaded on the website. Verification of score for middle managers was delayed due to the audit period. Performance agreements with section 56 managers have been signed.
		MTID11-03	Signing of Performance agreements with Middle Managers	2014/2015 Signed Performance Plans of Middle Managers	Director Development and Town Planning Services/ Manager Governance and Compliance	Signed Plans -Structured and Improved Planning, Monitoring and Evaluation	Signing of Performance agreements with 10 Middle Managers by 31 July 2014	Target not met	All Middle Managers sign their Performance Plans	Target met .	None	Q1-Performance plans for middle managers were signed. Performance agreements for middle managers have been signed
		MTID11-04	Quarterly performance reviews conducted with section 56 Managers	2014/2015 Reports	Director Development and Town Planning Services/ Manager Governance and Compliance	6 Quarterly Performance Reviews conducted-Structured and Improved Planning, Monitoring and Evaluation	6 Quarterly Performance Reviews conducted	Target met	4 Quarterly Reports on the Performance of Directors	Target met .	None	Q1-Performance reviews were conducted with S56 Managers. Q2-Quarterly Performance Reports-not fully achieved in Q2. Q3-Quarterly performance review have been conducted for the section 56 manager. Q4-Quarterly and Annual performance reviews and assessments conducted as required legislatively.

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To have an effective and Transparent performance driven organisation capable of effective service delivery and sound administration	PERFORMANCE MANAGEMENT AND REPORTING - MTID11	MTID11-05	Quarterly performance reviews conducted with Middle Managers	New Indicator	Director Development and Town Planning Services/ Manager Governance and Compliance	18 Quarterly Performance Reviews conducted	13 Quarterly Performance Reviews conducted	Target not met.	4 Consolidated Quarterly Reports on the Performance of middle managers within Municipal Departments	Target met with variance	None	Q1-There were challenges with the reviews of Middle managers, done in retrospectively. Q2-Reviews were conducted however there are still two employees whose performance plans have not been completed. This will be done before the end of Third Quarter and reporting will be done retrospectively. Q3-The target have not been met due to the non corporation with various departments and capacity challenges within the section. Q4-Challenges with the process of reviewing middle managers reviews due to non co-operation with various departments and capacity challenges within the section. It is noted the formal assessment did eventually occur
		MTID11-06	Compilation of the Annual Performance Report (s46)	2013/2014 Annual Performance Report	Director Development and Town Planning Services/ Manager Governance and Compliance	Annual Performance Report compiled	Compilation of the Annual Performance Report and submission to AG by 31 August 2014	Target Met	Annual Performance Report compiled and submitted to AG by 31 August 2015	Target met .	None	Q1-Annual Performance Report s46 inclusive Annual report developed and tabled to the Audit Committee prior to 31 August 2015 -The Draft annual report and the S46 report were both submitted to the AG by 31 August 2016 (2014/2015 Section 46 Report compiled by 31 August 2015)
		MTID11-07	Compilation of the Annual Report	2013/2014 Annual Report	Director Development and Town Planning Services/ Manager Governance and Compliance	Annual Report compiled	2013/2014 Annual Report prepared	Target Met.	Annual Report compiled and approved by 31 January 2016 - oversight report compiled by MPAC and tabled 31 March 2016	Target Exceeded	None	Q1-Draft Annual Report submitted to the Provincial AG and Audit Committee-The annual report and S46 were both submitted to the AG on time Q2-Draft Annual Report submitted noted by Council and MPAC. The annual report (draft) and the S46 were both submitted to the AG on legislated dates (31 August 2015) . Target is required to be reviewed in line with legislated dates - the target is incorrectly reflected to have targets in Q2 - both the draft and the final draft are dealt with in Q3. Target will be reviewed to state the correct timeframes as both the draft and the final draft are dealt with in Q3. Q3-Draft Annual Report submitted noted by Council and MPAC. Annual Report approved by Council. The Annual Report was Approved by Council on 31 March 2016.

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To have an effective and Transparent performance driven organisation capable of effective service delivery and sound administration	PERFORMANCE MANAGEMENT AND REPORTING - MTID11	MTID11-08	Compilation and tabling of the Mid-Year Performance Report (s72)	2014/2015 Mid-Year Performance Report	Director Development and Town Planning Services/ Manager Governance and Compliance	Mid-Year Report Compiled	2014/2015 Mid-year performance report compiled submitted to Exco by 25 January 2015	Target Met	2014/2015 Mid-Year Performance Report compiled, tabled by 25 January 2016	Target Exceeded	None	Q2-Mid-Year Performance Report developed. Reporting for Mid Year is only done in the Q3 i.e. by 25 January The S72 is tabled on legislated dates by 25 January annually . Target is required to be reviewed in line with legislated dates - the target is incorrectly reflected to have targets in Q1. Q3-Mid-Year Performance Report developed. The section 72 Report was noted by Exco on 20 January 2016 and approved by Council on 26 January 2015
To undertake holistic integrated development and spatial planning	SPATIAL PLANNING - MTID12	MTID11-09	Development and Tabling of the Service Delivery and Budget Implementation Plan by June 2016	2014/2015 SDBIP	Director Development and Town Planning Services/ Manager Governance and Compliance	SDBIP Compiled	SDBIP Compiled and approved by the Mayor within 14 days after the approval of the budget	Target met.	SDBIP Compiled and approved by the Mayor within 28 days after the approval of the budget	Target met .	None	Q3-Draft SDBIP Developed -The Draft SDBIP was approved by Council on 31 March 2016. (Service Delivery Implementation Plan was tabled on council as required legislatively)

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To undertake holistic integrated development and spatial planning	SPATIAL PLANNING - MTID12	**MTID12-01**	Develop a new SDF	Change in legislation	Director Development and Town Planning Services/Town Planner/ R 1 600 000 for all projects	SDF developed -Improved Land Use Management	Approval prior to year end	Target not met through no fault of Senqu LM - changing legislation (SPLUMA)	Approval prior to year end	Target met with variances - the progress is acknowledged and challenges experienced were through no fault of Senqu LM - extenuating circumstances initially (SPLUMA) and now the non-availability of PSC members for the PSC meeting to sit so that the project can move to the final stage. Phases 1, 2, 3 and 4 are complete and only phase 5 & 6 are outstanding.	The project is behind by 2 months. Consultants have revised the draft SDF and plans (after the last PSC meeting in May 2016) to comply with new SDF regulations	Q2-1st Draft. The consultant completed phase 3 and 4. There are challenges with the non-availability of PSC members for the PSC meeting to sit so that the project can move to the final stage. Phases 1, 2, 3 and 4 are complete and only phase 5 & 6 are outstanding. The 1st & 2nd phases were completed within the planned days for implementation, 3rd & 4th phases of the project moved slower than anticipated. Q3-Public Participation Process. Draft was completed late and therefore could not be sent to council. This was due to a struggle to get information from JGDM for infrastructure projects. Q4-Final Draft to Council-The project is behind by 2 months. Consultants had to revise the draft SDF and plans after the last PSC meeting in May to comply with new SDF regulations

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To undertake holistic integrated development and spatial planning	SPATIAL PLANNING - MTID12	MTID12-02	Establishment of the Tribunal and Appeals Board for Land Use Management System	New Indicator	Director Development and Town Planning Services/Town Planner/ R 1 600 000 for all projects	Tribunal and Appeals Board established -Improved Land Use Management	No target in 2014/2015	No target in 2014/2015	Establishment of the Tribunal and Appeals Board	Target met .	None	Q1-Nomination of Tribunal-A notice was advertised for nominations of person to serve as members of the Senqu LM planning tribunal. Notice 165/2015. Q2-Appointment of the Tribunal -No appointments have been made. A council resolution was taken for the municipality to join the district planning tribunal, The district has called for nominations for the tribunal and will be soon appointing members for the tribunal. Q3-Establishment of the Appeals Board was approved by Council on 31 March 2016.
		MTID12-03	Development of the SPLUMA By-Law	New Indicator	Director Development and Town Planning Services/Town Planner/ R 1 600 000 for all projects	By-Law developed -Improved Land Use Management and Spatial Planning	No target in 2014/2015	No target in 2014/2015	1 By-Law developed	Target met .	None	Q1-Draft By-Law to Council -The challenge was to secure a date with the attorneys that are assisting with the customization. Q2-Public Participation -The draft bylaw has gone to council for approval. The final draft bylaw was distributed by the Department of Rural Development and Land Reform on the 27th of November 2015 to local municipalities. The final customized bylaw was received late. Q3-Public Participation process-The By-Law was approved by Council on 14 March 2016 Q4-Final Draft to Council-Final draft bylaw was approved by Council and was gazetted.

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To undertake holistic integrated development and spatial planning	SPATIAL PLANNING - MTID12	MTID12-04	Reviewal of the Sub division, Rezoning and Building control policy	2009 Review	Director Development and Town Planning Services/Town Planner/ R 1 600 000 for all projects	Policy Reviewed -Improved Land Use Management and Spatial Planning	No target in 2014/2015	No target in 2014/2015	1 Policy Reviewed	Target met .	None	Q4-Submission of the Reviewed Policy to Council-Policy was reviewed and approved by Council
		MTID12-05	Development of Wall to wall land use scheme	New Indicator	Director Development and Town Planning Services/Town Planner/ R 1 600 000 for all projects	Wall to wall land scheme developed-Improved Land Use Management and Spatial Planning	No target in 2014/2015	No target in 2014/2015	1 Wall to wall land scheme developed	Target met with variance (progress acknowledged)	The Final wall-to-wall land use scheme to go to next Council meeting 9after the said FY under review	Q3-Project inception, Data collection and analysis, Land use framework -The inception report was submitted to the SC .Q4-Scheme maps & clauses developed. Final Draft to Council-The project is behind by 2 months. Public participation to be completed in July and Final wall-to-wall land use scheme to go to next Council meeting. Draft scheme maps, clauses and policies were submitted to Council for approval

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To undertake holistic integrated development and spatial planning	INTEGRATED DEVELOPMENT PLANNING - MTID13	MTID13-01	Development of the 2017/2021 IDP by 30 May 2016	2015/2016 IDP	Director Development and Town Planning Services/ Manager IPED	IDP developed-Improved Planning of Municipal Programmes	Development of the 2015/2016 IDP	Target met.	Development of the 2016/2017 IDP	Target met .	None	Q3-Draft IDP Developed and submitted for noting -Draft IDP was noted by council on 31 March 2016. Q4-Final Draft IDP Developed and submitted for Approval-Final IDP adopted by Council on 6 June 2016.
		MTID13-02	Development of the IDP and Budget Process Plan for 2017/2021 review by 31 August 2015	2015/2016 IDP and Budget Process Plan	Director Development and Town Planning Services/ Manager IPED	Process Plan Developed-Improved Planning of Municipal Programmes and timing thereof	The IDP and Budget Process Plan for 2016/2017 review plan	Target met.	Development of the 2017/2021 IDP and Budget Process Plan	Target Exceeded	None	Q1-The Process plan was developed and adopted by Council in August 2015.
		MTID13-03	Number of IDP Representative Forum meetings held	2014/2015 Meetings	Director Development and Town Planning Services/ Manager IPED/Manager Communications , IGR and Stakeholder Relations	Meetings Held-Improved Integrated Planning	4 Meetings Held	Target met.	4 Meetings Held	Target met .	None	Q1-An IDP and Budget Committee meeting was held on 18 August 2015 .Q2-An IDP Representative and Public participation Forum was held on the 9 December 2015. Q3-The Rep Forum was held on 22 March 2016. Q4-The representative Forum was held on the 30th May 2016
		MTID13-04	Number of IDP and Budget Representative Steering Committee meetings held	2014/2015 Meetings	Director Development and Town Planning Services/ Manager IPED/Manager Communications	Meetings Held-Improved Budgeting	4 Meetings Held	Target not met -- variance of 1 meeting	4 Meetings Held	Target met .	None	Q1-An IDP and Budget Committee meeting was held on the 18th August 2015 Q2-An IDP & Budget SC meeting was held on the 26th October 2015 Q3-The Steering Committee was held on 23 March 2016. Q4-A IDP and Budget SC meeting was held on the 17th May 2016

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To promote and instil good governance practices within Senqu municipality	RISK GGPP01	GGPP01-01	Quarterly Reporting on Risk Matters to the Audit Committee	2014/2015 Reports	Director Development and Town Planning Services/ Manager Governance and Compliance	Risk Register Updated -minimisation of municipal risk	4 Reports submitted to the Audit Committee	Target not met --variance to timeframes in Q2 . (Due to no fault of the responsible Directorate)	4 Reports to the Audit Committee	Target met .	None	Q1-Quarterly Reporting on Risk Matters to the Audit Committee Q2-Report was submitted to the Audit Committee in the meeting that was held on 23 November 2015. Q3-The Risk Report was entertained in the Audit Committee which sat on 14 March 2016 Q4-1 Quarterly Report on the Institutional Risk Register - Monitoring of Risk Action Plan/s are done a monthly basis and Risks Reporting is done on a quarterly basis to the Audit Committee
	FRAUD PREVENTION GGPP01	GGPP01-02	Number of Risk Assessments conducted	4 Risk Assessments for 2014/2015	Director Development and Town Planning Services/ Manager Governance and Compliance	Departmental Risk Assessments conducted- minimisation of municipal risk	12 Departmental Risk Assessments Conducted	Target met.	2 Comprehensive Risk Assessments conducted	Target met .	None	Q2-Report was submitted to the Audit Committee in the meeting that was held on 23 November 2015. Q4-1 Comprehensive Risk Assessment conducted

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To promote and instil good governance practices within Senqu municipality	FRAUD PREVENTION GGPP01	**GGPP01-03**	Conduct Fraud Prevention awareness and develop a conflict of interest register	2014/2015 Awareness and Declaration Register	Director Development and Town Planning Services/ Manager Governance and Compliance R115 000	2 Awareness conducted and 1 Register developed -Improved Fraud Risk within the municipality	4 Reports submitted to the Audit Committee (GP 01-01 in previous year0	Target not met --variance to timeframes in Q2 . (Due to no fault of the responsible Directorate)	**2** Fraud Prevention awareness conducted and 1 register developed for declaration of interest	Target met .	None	Q1-The conflict of interest declaration register for 2015/2016 was developed. Q2-Fraud Prevention Awareness incorporated into the induction scheduled 30 Nov 2015. The induction cancelled due to other commitments of staff and new date was to be communicated instead awareness addressed through posters being placed in key areas and offices .Posters placed on notice boards in Bkly, L/Grey. Q3-Awareness done during the Q3 by distributing flyers and putting more posters in our offices. Q4-Fraud Prevention Awareness conducted -FPP awareness was conducted to staff members of the municipality, Posters in a key areas of Senqu towns. D
		GGPP01-04	2012 Fraud Prevention Plan Reviewal	2009 Fraud Prevention Plan	Director Development and Town Planning Services/ Manager Governance and Compliance	Reviewed Plan -Improved Fraud Risk within the municipality	No target in 2014/2015	No target in 2014/2015	Plan Reviewed	Target met .	Noted - The target holder met the target ito of the way the target was constructed - comments did not form part of the said target i.e. (Fraud Prevention Plan Reviewal)	Q2-Policy and plan reviewed / developed sent to the members of the Audit Committee for comments. Nil input / comments received

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Promote compliance with legislation	COMPLIANCE GGPP02	GGPP02-01	Update of the Compliance Register	2014/2015 Register	Director Development and Town Planning Services/ Manager Governance and Compliance	Register Developed-Compliance with Municipal Legislations	Compliance Register developed and submitted to the Audit Committee	Target met	4 Quarterly Reports on the Update of the Register for 2015/2016	Target met	Target requires review ito timeframes ito tabling of reports	In Q1 of the current FY 2015/2016 the 4th quarter report for 2014/2015 FY was tabled to the Audit committee 20 July 2015, this is due to the Audit committee dates are not aligning with the institutional reporting timeframes. Q2 Report was submitted to the Audit Committee in the meeting that was held on 23 November 2015. Q3 no top management sat during March 2016 so the report was not submitted.Q4 the report was submitted to top management on the 14th June 2016.
		GGPP02-02	Monitoring of the Implementation of the Compliance Register	2014/2015 Register	Director Development and Town Planning Services/ Manager Governance and Compliance	Register Monitored-Compliance with Municipal Legislations	11 Compliance Implementation Reports and workshop Conducted (GGPP02-03 in previous financial year)	Target met.	12 Reports on the implementation of the compliance register	Target met	None	Q1-Target to be revised to state that reports would be sent to Top Management instead of SC. Q2-Report was submitted to Top Management as per the Directive of Top Management. Target revised to reflect such.Q3-Top Management did not sit in March 2016. Q4-3 monthly reports tabled as required .Q4 compliance register has been prepared and submitted to top management on 14 June 2016.Compliance register has been prepared and submitted
		GGPP02-03	Develop a new Website	Old Website	R 60,000	Website developed -Improved Technological communication with communities	4 Quarterly Reports on the Website compliance	Target met.	New Website Developed	Target met	None	Q2- Appoint a Service Provider - The contract was included under Sebata's scope of work and work has been done. Q3-Commenced with development. Q4-Project completion. The Website have been developed and its functional. Reports on updating the information for the municipality are submitted to the standing committee.

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Promote compliance with legislation	COMPLIANCE GGPP02	GGPP02-04	Implement MSCOA as a pilot site in accordance with the Treasury Regulations	New Indicator	MM/All Directors/ R 2 500 000	MSCOA Implemented as a pilot site -Improved Management of the usage of financial and other municipal resources	No target in 2014/2015	No target in 2014/2015	4 Quarterly reports on the Implementation of MSCOA by the Municipality as a Pilot	Target met	None	Q1 report on implementation of Mscoa as a pilot site in accordance with the Treasury Regulations was tabled to Council . In Q2 Council went into recess and the report was tabled with Q3 report .Q3 Q2and Q3 report was tabled on the progress with the implementation of Mscoa as a pilot site in accordance with the Treasury Regulations have been tabled Q4 report on implementation of Mscoa was tabled in accordance with the Treasury Regulations to the council meeting.

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Promote Good Governance within the Senqu Municipality	OVERSIGHT - GGPP03	GGPP03-01	Monitor the implementation of the Audit Action Plan	2014/2015 Reports	MM/CAE	Audit Action Plan Implemented-Improved Audit Outcome	4 Quarterly Reports on the Implementation of the Audit Action Plan	Target Met	4 Quarterly Reports on the Implementation of the Audit Action Plan	Target not met	The reporting ito this target to be managed - Target holder is not complying with target milestones	In Q1 and Q2 target could not be met as according to 2015/16 IA plan, the internal audit will follow up Q1 & Q2 and report to the Audit Committee in March 2016. In Q3 the report was tabled to the audit committee. In Q4 target not met as the report was tabled on March 2016.
		GGPP03-02	Monitor the Implementation of the OPCAR	2014/2015 Reports	MM/CFO/ Director Development and Town Planning Services	Number of OPCAR Implementation Reports-Improved Audit Outcome	4 Quarterly Reports on the Implementation of the OPCAR	Target Met .	4 Quarterly Reports on the Implementation of the OPCAR	Target not met	The reporting ito this target to be managed - Target holder is not complying with target milestones	In Q1 and Q2 target could not be met as according to 2015/16 IA plan, the internal audit will follow up Q1 & Q2 and report to the Audit Committee in March 2016. In Q3 the report was tabled to the audit committee. In Q4 target not met as the report was tabled on March 2016.
		GGPP03-03	External Quality Review	Could not be achieved in 2014/2015	MM/CAE/ R140 000	Report on the External Quality Review -Improved oversight	1 Report on the External Quality Review	Target not met The External Quality review was not done.	1 External Quality Review	Target not met	Target to be reviewed and carried over to the next FY - External quality review was part of the Internal Audit plan of 2015/2016 - Later realised that according to the new developments the project needs to be done internally and more resources will be needed. it cannot be outsourced.	Q1 Revised specification & terms of reference were not sent to Provincial Treasury for verification. The revised specification & terms of reference were to be submitted to Provincial Treasury for verification before 30/10/2015 and then submitted to the next specification committee meeting after receipt of the response. In Q2 and Q3 there were no targets. In Q4 target could not be met, external quality review was part of the Internal Audit plan of 2015/2016 - but it was later realised that according to the new developments the project needs to be done internally and more resources will be needed. R8.1 Audit committee resolution passed on the 13th June 2016 was that, the project should be implemented internally annually by 30 June 2017. Externally once every 5 years

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Promote Good Governance within the Senqu Municipality	OVERSIGHT - GGPP03	**GGPP03-04**	IT Security Audit	New Indicator	MM/CAE/ R 340 000	Report on the IT Security Audit- Improved management of IT Security Risks	No target in 2014/2015	No target in 2014/2015	1 IT Security Audit	Target not met	The project could not be implemented due to audit committee delays. The project will carried over to the new FY	The project could not be implemented due to audit committee delays. Q1-Source a Service Provider -The IT Manager requested that the project should be put on hold until after the external audit due to the following: 1) IT Technical on leave, thus, there will not be capacity in the IT section except for the IT Manager; 2) IT Manager is more involved with SCOA requirements and 3) involved with the development of the IT Governance Framework during said quarter. The project was planned to start again in Mid November 2015.Q2 -Conduct IT Security Audit- Planning has been done, awaiting for the quotation from KPMG (last followed up on 29/10/2015) no positive response is received by 22/01/2016, another service provider will be sourced through competitive bid.

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To ensure coherent and transparent decision making within the municipality	OVERSIGHT - GGPP03	**GGPP03-05**	Number of Council Management resolutions tracked	2014/2015 Report on tracked resolutions	Director Corporate/ Manager Council Support	Reports compiled- Improved implementation of Council Resolutions	100% Quarterly compliance	Target Met	4 Quarterly Reports on tracked resolutions	Target met with variance	None	This target was reported on under KPI Number GGPP03-04 in previous Financial Year. Q1-Q3 - All resolutions said to be implemented in the quarter were 100% implemented. Q4-This report was not submitted to Council
		GGPP03-06	Number of Council meetings held	4 Meetings per quarter	Director Corporate/ Manager Council Support	Meetings Held- Improved Oversight of Council and Decision Making	4 Meetings	Target met with variances - Variance of 2 meetings to target	4 Meetings	Target exceeded - 4 Special Council meetings were held over and above the planned 12	None	Q1-2 Special Council Meetings were held, 20 July 2015 and 28 August 2015 and one Ordinary Council meeting was held on 29 September and it was attended. Q2-One Special Council meeting was held on 23 November and was attended. Q3-Ordinary council meeting on 31 March 2016 was held and attended. Q4-Ordinary council meeting 30 June 2016 was held and attended and Special Council meeting was held on the 06 June 2016 and was attended.
		GGPP03-07	Number of Exco meetings held	11 Meetings	Director Corporate/ Manager Council Support	Meetings Held- Improved Oversight of Council and Decision Making	11 Meetings	Target not met --variances to target --Variance of 1 meetings to target	11 Meetings	Target met	None	Q1-EXCO meetings were held on 29 July; 26 August and 22 September, all meetings were attended. Q2-an EXCO meeting was held on 30 October 2015 and was attended. Q3-Exco meetings were held 20 January 2016, 24 February 2016 and 23 March all were attended. Q4- EXCO meeting was held on 26 May, 27 June 2016, 29 June 2016

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To promote and instil good governance and oversight	OVERSIGHT - GGPP03	GGPP03-08	11 Municipal Public Accounts Committee meetings held	11 Meetings	MM/COO/ R150 000	Number of MPAC meetings held-Enhance oversight over Municipal functioning	11 Quarterly MPAC meetings to be held	Target exceeded	11 Quarterly MPAC meetings to be held	Target met with variance18,19% variance to target (9 meetings held),81,81%	Meetings to occur as scheduled - reduction in the number meetings held aligned to AC Meetings quarterly meetings	In Q1 One meeting was held on 25 August 2015 In Q2 meetings were held on the 23 November 2015 and 2 of December 2015. In Q3 2 meetings were held on the 17 February 2016 and on the 10 March 2016. In Q4 2 meetings were held on the 18 May 2016 and 15 June 2016.
		GGPP03-09	4Audit and Performance Committee meetings held	4 Meetings	MM/CAE	Number of Audit & Performance Committee meetings held-Enhance oversight over Municipal functioning	4 Meetings held	Target Met.	4 Meetings Held	Target met		Q1-Audit committee meeting was held on 20 July and 21 August and was attended. Q2-One meeting was held on the 23 November 2015 and was attended. Q3- One meeting was held on the 23 November 2015 and was attended. Q4-meeting was held on 14 June 2016

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To promote interactive communication with customers around service delivery issues	COMMUNICATIONS, MARKETING, CUSTOMER CARE & PUBLIC PARTICIPATION GGPP04	GGPP04-01	Number of Functional Ward Committees	19 Ward Committees functional	Director Corporate Services /Manager IGR and Com-munications and Stakeholder Relations/ R 2 550 000	Functional Ward Committees-Improved Community Participation in Council Decision Making	19 Committees monthly functioning reports	Target not met --variance to target	12 Reports on the functionality of Ward Committees	Target met	None other than - review of target ito the number of reports to be tabled considering (recess issues and MFMA S52 (d).	Q1-Reports were submitted to the standing committee for July, August and September 2015. Q2-Target not fully achieved in Q2 - variance of 2 reports. a report was submitted to the standing committee for October 2015 Q3-Reports were submitted to the standing committee as planned. Q4-3 Reports on the functionality of 19 Ward Committees
		GGPP04-02	Number of Mayoral Imbizos held	3 Meetings per ward	Director Corporate Services/ Manager IGR and Com-munications and Stakeholder Relations/ Manager IPED	Informed Communities -Improved Public Participation within the Municipality	4 Meetings	Target not met --variance to target	3 Meetings per ward	Target not met --variance to target (no adjustments were noted to the initial target constructed)	The KPI vs Annual; target vs quarterly targets must align - this target to be reviewed	In Q1 no target. In Q2 1meeting was held on 9 December 2015 and it was combined with IDP Rep forum for cost savings. In Q3 the meeting was not held during third quarter. In Q4 the mayoral imbizo was combined with the Local round table on 28 June 2016 for cost savings.
		GGPP04-03	Number of Round Tables Held	4 Meetings	Director Corporate Services /Manager IGR and Com-munications and Stakeholder Relations	Information sharing with CDW and the Municipality-Improved Public Participation within the Municipality	4 Meetings	Target Met.	4 Meetings	Target met	None	Q1-A round table meeting was for the quarter was held on the 02 September 2015. Q2-1 quarterly report was submitted to the standing committee meeting; Q3-1 Quarterly report were submitted to the standing committee meeting. Q4- 1 meeting held
		GGPP04-04	Reviewal and Implementation of the communication plan	2014/2015 Reviewal and Implementation Reports	Director Corporate Services/ Manager IGR and Com-munications and Stakeholder Relations/ R651 000	12 Implementation Reports actually compiled and a reviewed plan-Improved capacity in communicating municipal information	1. Plan Developed and Approved and,2. 4 Quarterly Reports on the Implementation of the Communication Plan	Target not Met --variance in Q1 and Q2	Reviewal of the communication plan and 12 Implementation Reports	Target met	None	Was reported on under GGPP04-06 in previous financial year Q1-3 Report on the Implementation of the Communication Plan were submitted to the standing committee Q2-Target not fully achieved in Q2. variance of 1 report. Reports were submitted to the standing committee for October and November 2015. In Q3 and Q4 reports were submitted to Standing Committee as planned

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To promote interactive communication with customers around service delivery issues	COMMUNICATIONS, MARKETING, CUSTOMER CARE & PUBLIC PARTICIPATION GGPP04	GGPP04-05	Number of Presidential Hotline queries resolved	Presidential Hotline not working properly	Director Corporate Services/ Manager IGR and Com-munications and Stakeholder Relations	Queries resolved -Improved Service Delivery	12 Monthly Reports Presidential Hotline - KPI GGPP04-09	Target Met - Monthly Reports tabled to SC .	12 Reports on the resolved issues from the Presidential Hotline	Target met with variance of 1 report December 2016. 91,66% achievement ito of reporting	None - review of target ito the number of reports to be tabled considering (recess issues and MFMA S52 (d).	In Q1 3 reports were submitted to the standing committee for July, August and September 2015. In Q2 1 report tabled and 2 reports, reports tabled with Q3 report to SC Feb 2016. Q3 reports were submitted to the standing committee meeting for February, March and April 2016; Dec was not reported for. In Q4 reports were submitted to the standing committee for May, June and July 2016. Presidential hotline reports have been submitted to the standing committee and the municipality is currently at 100%
		GGPP04-06	Report on Customer Complaints resolved	24 Resolved	Director Corporate Services/ Manager IGR and Com-munications and Stakeholder Relations	Queries resolved - Improved Service Delivery	12 Monthly Reports (Customer Complaints resolved - KPI GGPP04-10)	Target not met ---variance in Q2	12 Reports on the resolved issues from the Municipal Customer Care Complaints register	Target met	None - review of target ito the number of reports to be tabled considering (recess issues and MFMA S52 (d).	Q1-3 Reports on the resolved issues from the Municipal Customer Care Complaints register submitted to the standing committee for July, August and September 2015. Q2-reports tabled to the standing committee for October and November 2015 December 2016 tabled to Q3 SC. Q3-reports were submitted to the standing committee meeting for Dec, Jan February, March and April 2016.Q4-3 Reports on the resolved issues from the Municipal Customer Care Complaints register
		GGPP04-07	Number of Newsletters developed	4 Newsletters for 2014/2015	Director Corporate Services/ Manager IGR and Com-munications and Stakeholder Relations	Newsletters developed -Improved Communication with Internal stakeholders	4 signed newsletters distributed	Target not met with variances in Q1 and Q4	4 Newsletters	Target met with variance 1 newsletter - 3 newsletters achieved - 75% achievement	Notwithstanding the target is met with a variance it must be noted that there has been significant progress compared to two previous years - no newsletters were developed and/or disturbed	In Q1 1 Quarterly newsletter developed. In Q2 target not achieved. In Q3 1 Quarterly newsletter developed. In Q4 1 Quarterly newsletter developed.

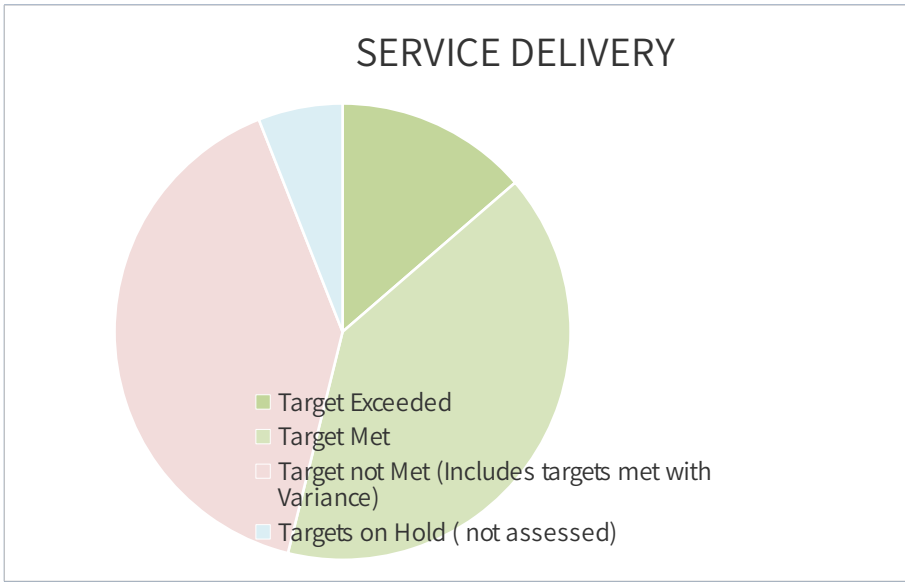
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To promote the mainstreaming and upliftment of HIV and AIDS , women and children, youth, people with disabilities and the elderly into municipal Socio-Economic Programmes and Projects	MAINSTREAMING - GGPP05	GGPP05-01	Implementation of the HIV/Aids Strategy and plan	2014/2015 Implementation Reports	Director Corporate Services/ Manager IGR and Com-munications and Stakeholder Relations	Reports Developed-Improved Mainstreaming of HIV/AIDS related issues	12 Monthly Reports	Target Met.	12 Monthly Reports	Target met	None	All 12 monthly reports were submitted to the relevant standing committee.
		GGPP05-02	SPU annual activity plan developed, adopted and implemented	2014/2015 Activity Plan	Director Corporate Services/ Manager IGR and Com-munications and Stakeholder Relations	Plan Developed-Improved Mainstreaming of SPU related issues	Approved SPU Annual Activity Plan by 30 September 2014 and 3 quarterly implementation reports	Target Met	Approved SPU Annual Activity Plan by 30 September 2015 and 4 quarterly implementation reports	Target met	None	Q1-SPU reports were submitted to the standing committee together with an operational plan for SPU 2015-2016- Quarterly reports submitted to the standing committee for all quarters
		GGPP05-03	Number of SPU structures meetings held (1 quarterly meeting per structure each quarter)	4 Meeting per structure	Director Corporate Services/ Manager IGR and Com-munications and Stakeholder Relations	4 Meetings held per structure-Improved Mainstreaming of SPU related issues	4 Meetings Held (1 quarterly meeting per structure)	Target not Met ---variance to Q4 .	4 Meetings Held (1 quarterly meeting per structure)	Target met	None	SPU Structure meetings sat during the financial year 2015/2016.

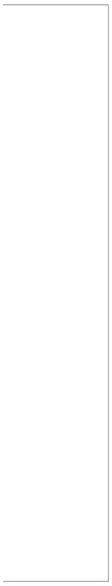
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							PRIOR FINANCIAL YEAR 2014/2015		CURRENT FINANCIAL YEAR 2015/2016			
STRATEGIC OBJECTIVE	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2015)	INPUT	OUTPUT/ OUTCOME / IMPACT/ QUALITY	2015 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2015 ACTUAL	2016 ANNUAL TARGET/ TIMEFRAME PA INDICATOR OF PERFORMANCE / ANNUAL TARGET OUTPUT	30 JUNE 2016 ACTUAL	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ VARIANCE	GENERAL COMMENTS
To promote the mainstreaming and upliftment of HIV and AIDS , women and children, youth, people with disabilities and the elderly into municipal Socio-Economic Programmes and Projects	MAINSTREAMING - GGPP05	**GGPP05-04**	4 Local AIDS Council meetings held	4 Meetings	Director Corporate Services/Manager IGR and Com-munications and Stakeholder Relations	4 Meetings held-Improved Mainstreaming of HIV/AIDS related issues	4 Quarterly Meetings	Target met.	4 Quarterly Meetings	Target met	None	All 4 LAC meetings were held during the financial year.
		GGPP05-05	Senqu Mayoral Cup Held and Youth Festival	2014/2015 Senqu Mayoral Cup	Director Corporate Services/ Manager IGR and Com-munications and Stakeholder Relations/ R 600 000 - Mayoral Tournament & R 70 500 Youth Festival	Event Held-Improved Youth Development	2014/2015 Senqu Mayoral Cup Held by 31 May 2014	Target not met ----variance -- 50% of target achieved	2015/2016 Senqu Mayoral Cup Held by 31 May 2016	Target met	None	1 quarterly report was submitted to the standing committee meeting. 22 -23 April 2016 the Event was held in Barkly East Town Hall

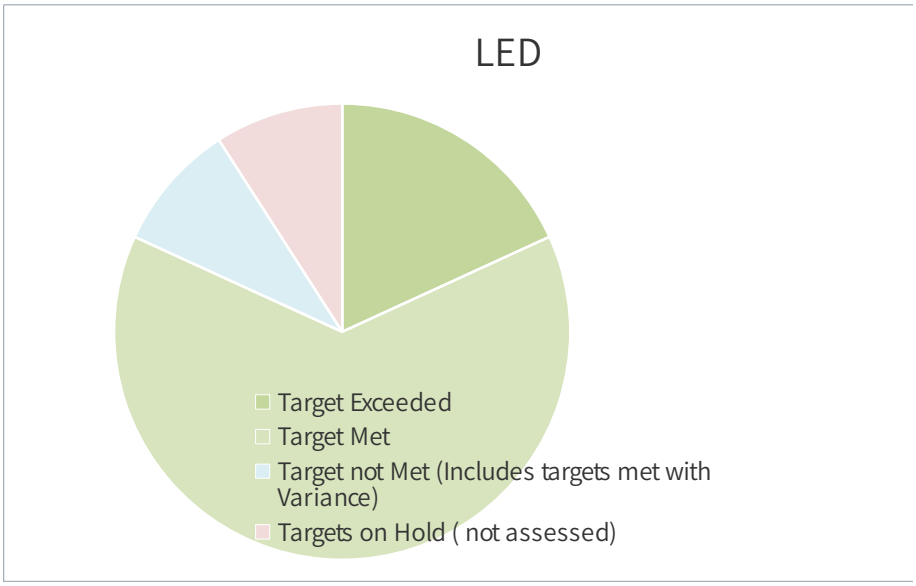
DISCLAIMER: The information provided within this report is reliant on the input reporting / information (qualitative) provided by the various Directorates/Departments. Difficulties in validating data continue to be experienced. The accuracy of all information provided cannot be assured. Refer to SDBIP ;COMPONENT I ; COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD and **Appendix I** - MUNICIPAL ENTITY/SERVICE PROVIDER SUPPLIER PERFORMANCE EVALUATION REPORT 01 July 2015 – 30 June 2016 (Annual report annexures)

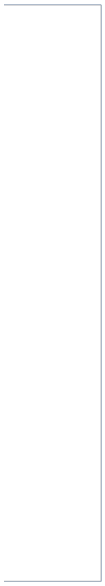
SERVICE DELIVERY	
Target Exceeded	16
Target Met	47
Target not Met (Includes targets met with Variance)	47
Targets on Hold (not assessed)	7


SERVICE DELIVERY
Target Exceeded
Target Met
Target not Met (Includes targets met with Variance)
Targets on Hold (not assessed)

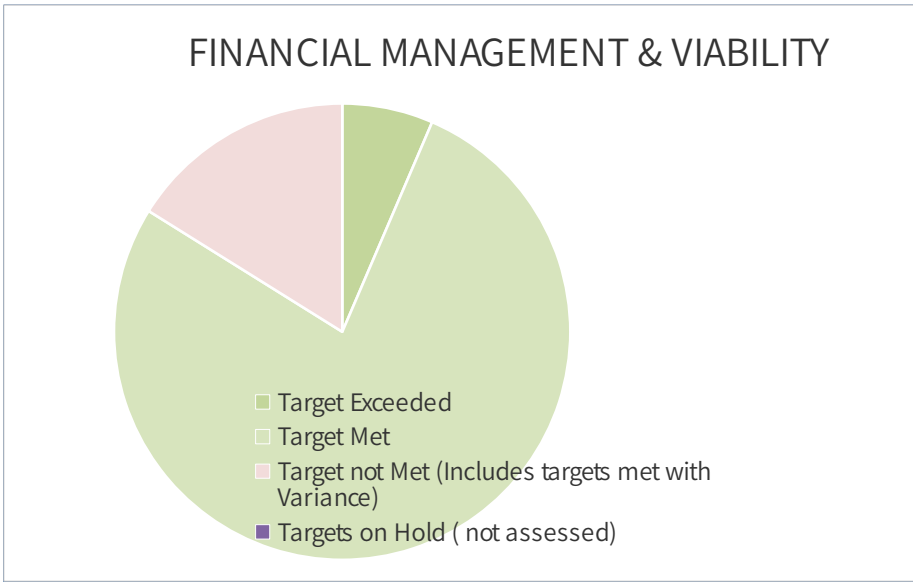


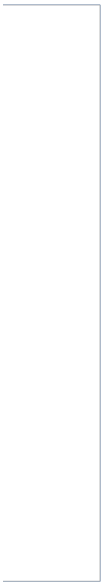
LED	
Target Exceeded	2
Target Met	7
Target not Met (Includes targets met with Variance)	1
Targets on Hold (not assessed)	1


LED
Target Exceeded
Target Met
Target not Met (Includes targets met with Variance)
Targets on Hold (not assessed)

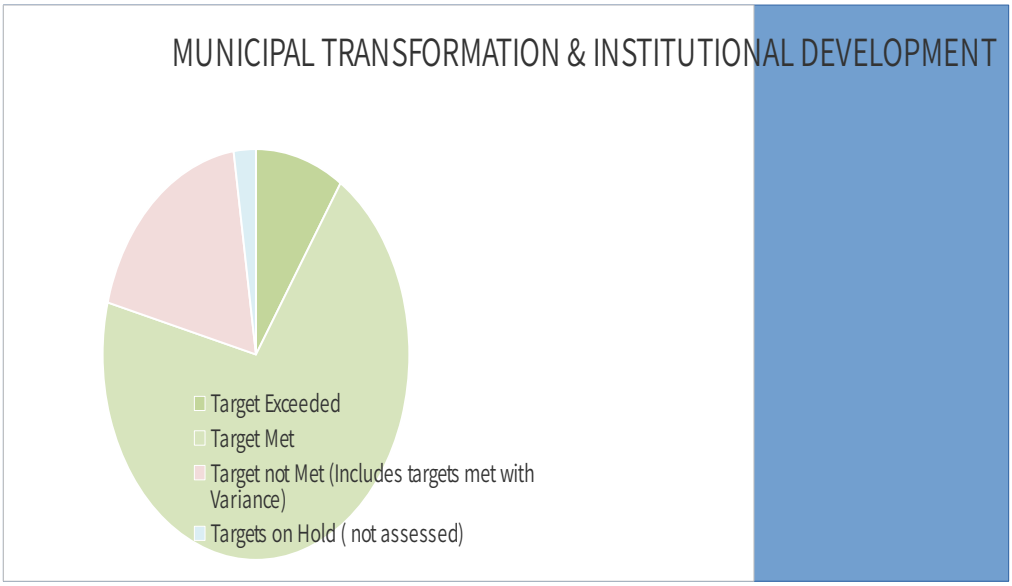


FINANCIAL VIABILITY	
Target Exceeded	2
Target Met	24
Target not Met (Includes targets met with Variance)	5
Targets on Hold (not assessed)	0

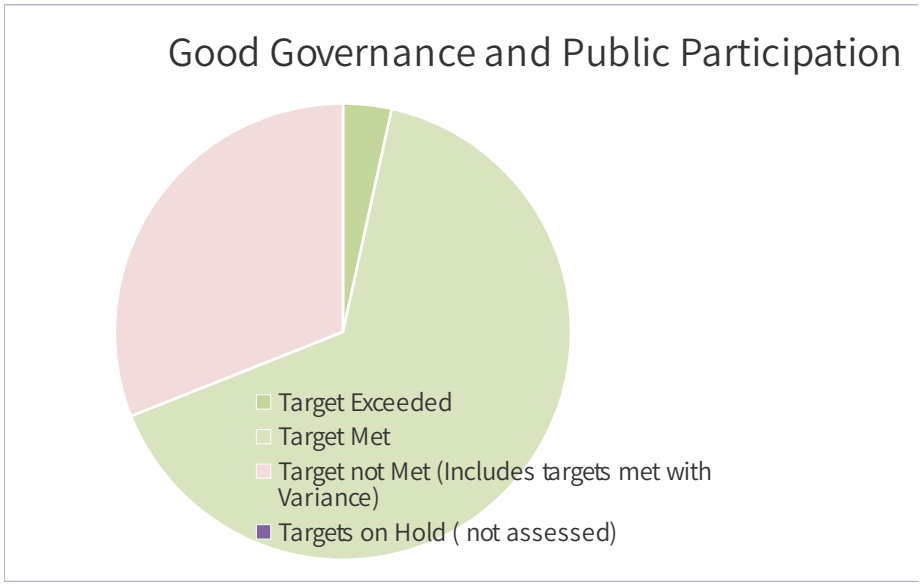

FINANCIAL MANAGEMENT & VIABILITY
Target Exceeded
Target Met
Target not Met (Includes targets met with Variance)
Targets on Hold (not assessed)

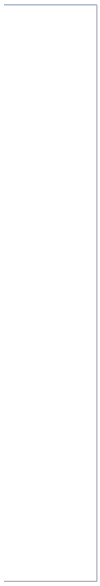


MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	
Target Exceeded	4
Target Met	30
Target not Met (Includes targets met with Variance)	8
Targets on Hold (not assessed)	1


MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT
Target Exceeded
Target Met
Target not Met (Includes targets met with Variance)
Targets on Hold (not assessed)

GOOD GOVERNANCE & PUBLIC PARTICIPATION	
Target Exceeded	1
Target Met	19
Target not Met (Includes targets met with Variance)	9
Targets on Hold (not assessed)	0


Good Governance and Public Participation
Target Exceeded
Target Met
Target not Met (Includes targets met with Variance)
Targets on Hold (not assessed)



SENQU LOCAL MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS

30 JUNE 2016

SENQU LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Senqu Local Municipality performs the functions as set out in the Constitution. (Act no 105 of 1996)

LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Senqu Local Municipality includes the following areas:

Lady Grey
Barkly East
Sterkspruit
Rhodes
Herschel
Rossouw

MEMBERS OF THE COUNCIL

Position	Councillor	Ward	Additional Portfolio
Executive Mayor	N.Y Mtyali	Proportional	Member of Executive Committee
Speaker	P.N August	Ward 17	
Councillor - Part time	B.S Majodina	Ward 1	
Councillor - Part time	P.G. Key	Ward 2	
Councillor - Part time	N. Nombula	Ward 3	
Councillor - Full time	N. M. Kwinana	Ward 4	Member of Executive Committee
Councillor - Part time	J Lamani	Ward 5	
Councillor - Part time	N.C Mraji	Ward 6	
Councillor - Part time	M.B Gojo	Ward 7	
Councillor - Part time	M.G. Moeletsi	Ward 8	
Councillor - Part time	A.P April	Ward 9	
Councillor - Part time	S. Mfisa	Ward 10	
Councillor - Part time	M.N Ngedane	Ward 11	
Councillor - Part time	M.P Bingwa	Ward 12	
Councillor - Part time	L.M Tokwe	Ward 13	
Councillor - Part time	M.J Mjali	Ward 14	
Councillor - Part time	S.S Ndzongana	Ward 15	
Councillor - Full time	M.M Mafilika	Ward 16	Member of Executive Committee
Councillor - Part time	B. Ngogodo	Ward 18	
Councillor - Part time	N.C Motemekoane	Ward 19	
Councillor - Full time	M.W. Mpelwane	Proportional	Chief Whip/Member of Executive
Councillor - Full time	J. Constable	Proportional	Member of Executive Committee
Councillor - Full time	M.J Sereba	Proportional	Member of Executive Committee
Councillor - Full time	G. Mbonyana	Proportional	Member of Executive Committee
Councillor - Part time	S.S Tindleni	Proportional	
Councillor - Part time	G.N Mvunyiswa	Proportional	
Councillor - Part time	A. P. Kwinana	Proportional	
Councillor - Part time	I. Elia	Proportional	
Councillor - Part time	A.H Sobhuza	Proportional	
Councillor - Part time	M. Senoamali	Proportional	
Councillor - Part time	I Mosisidi	Proportional	

SENQU LOCAL MUNICIPALITY

GENERAL INFORMATION

Councillor - Part time	N.M Nthako	Proportional
Councillor - Part time	M.A Mangali	Proportional
Councillor - Part time	M. A Mshasha	Proportional
Councillor - Part time	S. Mziki	Proportional
Councillor - Part time	N.Y Monakali	Proportional
Councillor - Part time	R.M Joubert	Proportional

MUNICIPAL MANAGER

M M Yawa

CHIEF FINANCIAL OFFICER

C R Venter

REGISTERED OFFICE

Murray Street, Lady Grey, 9755

POSTAL ADDRESS

P.O. Box 18, Lady Grey, 9755

AUDITORS

Auditor-General, P O Box 13252, East London

PRINCIPLE BANKERS

Standard Bank, Lady Grey

ATTORNEYS

Le Roux Attorneys, 101 Cape Road, Port Elizabeth

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Labour Relation Amendment Act (Act 6 of 2014)
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations
Municipal Budget and Reporting Regulations
Municipal Regulation on Standard Chart of Accounts (mSCOA)

SENQU LOCAL MUNICIPALITY

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SENQU LOCAL MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

APPROVAL OF ACCOUNTING OFFICER

I am responsible for the preparation of these annual financial statements year ended 30 June 2016, which are set out on pages 1 to 116 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2017 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

M M Yawa
Municipal Manager

Date

SENQU LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016

	Notes	2016 R (Actual)	2015 R (Restated)
ASSETS			
Current Assets		**242 346 870**	**198 435 318**
Cash and Cash Equivalents	**2**	220 917 469	183 459 842
Receivables from exchange transactions	**3**	10 447 090	9 404 029
Receivables from non-exchange transactions	**4**	2 075 751	2 196 315
Taxes	**5**	7 216 258	1 830 087
Operating Lease Asset	**6.1**	234 247	271 412
Inventory	**7**	1 456 056	1 273 634
Non-Current Assets		**325 512 426**	**295 866 387**
Investment Property	**8**	22 201 000	17 024 205
Property, Plant and Equipment	**9**	301 976 592	277 345 927
Intangible Assets	**10**	219 932	202 654
Capitalised Restoration Cost (PPE)	**11**	1 114 902	1 293 601
Total Assets		**567 859 296**	**494 301 705**
Current Liabilities		**31 119 685**	**34 483 575**
Borrowings	**12**	814 516	802 795
Consumer Deposits	**13**	1 341 579	1 238 851
Payables from exchange transactions	**14**	8 323 374	7 843 474
Payables from non-exchange transactions	**15**	11 144 292	16 761 727
Operating Lease Liability	**6.2**	5 678	6 240
Current Employee benefits	**16**	9 490 246	7 830 488
Non-Current Liabilities		**31 192 277**	**29 589 460**
Borrowings	**12**	12 028 145	12 842 254
Employee benefits	**17**	14 528 031	12 388 985
Non-Current Provisions	**18**	4 636 101	4 358 220
Total Liabilities		**62 311 961**	**64 073 035**
NET ASSETS		**505 547 335**	**430 228 670**
COMMUNITY WEALTH			
Accumulated Surplus	**19.2**	485 308 667	415 490 225
Revaluation Reserve	**19.1**	20 238 668	14 738 445
		505 547 335	**430 228 670**

SENQU LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016

	Notes	2016 R (Actual)	2015 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**191 550 136**	**164 527 063**
Taxation Revenue		**4 654 049**	**4 607 033**
Property Rates	**20**	4 654 049	4 607 033
Transfer Revenue		**181 191 040**	**151 993 584**
Transfers and Subsidies - Capital	**21**	31 955 780	27 636 029
Transfers and Subsidies - Operating	**21**	149 152 333	124 357 555
Public Contributions and Donations - Operating		6 140	-
Public Contributions and Donations - Capital		76 786	-
Other Revenue		**5 705 048**	**7 926 446**
Actuarial Gains	**17**	-	544 767
Fines, Penalties and Forfeits	**22**	323 933	818 340
Insurance Receipts		57 970	846 589
Gain on Fair Value Adjustments of Investment Property	**8**	5 323 145	5 716 750
REVENUE FROM EXCHANGE TRANSACTIONS		**50 936 376**	**44 676 420**
Operating Activities		**50 936 376**	**44 676 420**
Service Charges	**23**	30 896 123	29 442 726
Rental from Fixed Assets	**24**	756 417	645 960
Interest Earned - external investments		13 913 370	10 511 716
Interest Earned - outstanding debtors	**25**	2 493 926	1 969 792
Licences and Permits		1 085 309	1 303 197
Agency Services		1 080 375	510 104
Sales of Goods and Rendering of Services	**26**	504 115	155 249
Operational Revenue	**27**	206 740	137 677
TOTAL REVENUE		**242 486 512**	**209 203 483**
EXPENDITURE			
Employee related costs	**28**	62 172 869	53 790 104
Remuneration of Councillors	**29**	11 063 818	10 399 123
Debt Impairment	**30**	4 240 970	4 554 196
Depreciation and Amortisation	**31**	18 351 928	15 766 740
Actuarial Losses	**17**	186 217	-
Finance Charges	**33**	2 527 622	2 467 728
Bulk Purchases	**34**	23 771 063	20 079 250
Contracted services	**35**	19 979 983	20 784 003
Transfers and Subsidies	**36**	-	479 587
Operating Leases	**37**	302 274	224 565
Operational Cost	**38**	28 614 967	27 747 379
Loss on Disposal of Fixed and Intangible Assets		290 300	264 481
Impairment of Investment Assets	**8**	146 350	886 045
Impairment of Property, Plant and Equipment	**32**	1 019 712	4 841 967
TOTAL EXPENDITURE		**172 668 071**	**162 285 169**
NET SURPLUS FOR THE YEAR		**69 818 441**	**46 918 315**

SENQU LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2016

	REVALUATION RESERVE R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2014 - Previously Reported	**2 041 475**	**372 335 068**	**374 376 542**
Correction of Error - Refer to note 40.8	-	(3 763 157)	(3 763 157)
Balance on 30 June 2014 - Restated	**2 041 475**	**368 571 911**	**370 613 385**
Net Surplus for the year	-	46 918 315	46 918 315
Revaluation on Land and Buildings	12 696 971	-	12 696 971
Balance on 30 June 2015 - Restated	**14 738 445**	**415 490 225**	**430 228 670**
Net Surplus for the year	-	69 818 441	69 818 441
Revaluation on Land and Buildings	5 500 223	-	5 500 223
Balance on 30 June 2016	**20 238 668**	**485 308 666**	**505 547 334**

SENQU LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2016

	Notes	2016 R (Actual)	2015 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates		3 605 127	3 778 194
Service charges		25 745 317	24 981 990
Other revenue		8 102 978	5 046 480
Government - operating		143 891 778	121 583 680
Government - capital		31 598 900	36 856 974
Interest		13 913 370	10 511 716
Payments			
Suppliers and employees		(148 946 857)	(132 114 290)
Finance charges		(1 116 960)	(1 249 981)
Transfers and Grants		-	(479 587)
NET CASH FROM OPERATING ACTIVITIES	**42**	**76 793 653**	**68 915 175**
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on Disposal of Fixed Assets		248 311	316 074
Payments			
Purchase of Property, Plant and Equipment		(38 799 636)	(47 977 948)
Purchase of Intangible Assets		(85 039)	(111 547)
NET CASH USED INVESTING ACTIVITIES		**(38 636 364)**	**(47 773 421)**
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
Increase in Consumer Deposits		102 728	120 330
Payments			
Loans repaid		(802 388)	(792 197)
NET CASH USED FINANCING ACTIVITIES		**(699 660)**	**(671 867)**
NET INCREASE IN CASH HELD		**37 457 627**	**20 469 887**
Cash and Cash Equivalents at the beginning of the year		183 459 842	162 989 955
Cash and Cash Equivalents at the end of the year		220 917 469	183 459 842

SENQU LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016

Refer to note 44.2 for Reasons for Material Variances for the Budget Comparisons

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)
ASSETS			
Current assets			
Cash	902 821	9 286 210	(8 383 390)
Call investment deposits	220 014 648	142 082 945	77 931 702
Consumer debtors	11 056 874	18 216 553	(7 159 680)
Other Receivables	8 916 471	6 365 647	2 550 824
Inventory	1 456 056	1 382 197	73 859
Total current assets	**242 346 870**	**177 333 553**	**65 013 316**
Non current assets			
Investment property	22 201 000	17 024 205	5 176 795
Property, plant and equipment	301 976 592	327 737 461	(25 760 869)
Intangible Assets	219 932	202 654	17 278
Capitalised Restoration Cost	1 114 902	-	1 114 902
Total non current assets	**325 512 426**	**344 964 320**	**(19 451 894)**
TOTAL ASSETS	**567 859 296**	**522 297 874**	**45 561 422**
LIABILITIES			
Current liabilities			
Borrowing	814 516	805 227	9 289
Consumer deposits	1 341 579	1 238 851	102 728
Trade and other payables	19 473 344	7 928 372	11 544 972
Provisions and Employee Benefits	9 490 246	7 885 067	1 605 180
Total current liabilities	**31 119 685**	**17 857 517**	**13 262 169**
Non current liabilities			
Borrowing	12 028 145	12 037 027	(8 882)
Provisions and Employee Benefits	19 164 132	17 185 305	1 978 827
Total non current liabilities	**31 192 277**	**29 222 332**	**1 969 944**
TOTAL LIABILITIES	**62 311 961**	**47 079 849**	**15 232 113**
NET ASSETS	**505 547 335**	**475 218 025**	**30 329 310**
COMMUNITY WEALTH			
Accumulated Surplus	330 131 577	343 461 588	(13 330 011)
Reserves	175 415 758	131 756 437	43 659 321
TOTAL COMMUNITY WEALTH/EQUITY	**505 547 335**	**475 218 025**	**30 329 310**

Refer to note 44.2 for Reasons for Material Variances for the Budget Comparisons

ADJUSTMENTS TO APPROVED BUDGET

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)
ASSETS			
Current assets			
Cash	9 286 210	-	9 286 210
Call investment deposits	112 992 560	29 090 385	142 082 945
Consumer debtors	3 875 591	14 340 962	18 216 553
Other Receivables	7 062 477	(696 830)	6 365 647
Inventory	2 275 476	(893 279)	1 382 197
Total current assets	**135 492 316**	**41 841 238**	**177 333 553**
Non current assets			
Investment property	8 663 500	8 360 705	17 024 205
Property, plant and equipment	317 980 514	9 756 947	327 737 461
Intangible Assets	109 341	93 313	202 654
Total non current assets	**326 753 355**	**18 210 965**	**344 964 320**
TOTAL ASSETS	**462 245 671**	**60 052 203**	**522 297 874**
LIABILITIES			
Current liabilities			
Borrowing	814 955	(9 728)	805 227
Consumer deposits	1 165 873	72 978	1 238 851
Trade and other payables	8 332 663	(404 291)	7 928 372
Provisions and Employee Benefits	6 609 800	1 275 267	7 885 067
Total current liabilities	**16 923 290**	**934 227**	**17 857 517**
Non current liabilities			
Borrowing	12 027 322	9 705	12 037 027
Provisions and Employee Benefits	16 922 903	262 402	17 185 305
Total non current liabilities	**28 950 225**	**272 107**	**29 222 332**
TOTAL LIABILITIES	**45 873 515**	**1 206 334**	**47 079 849**
NET ASSETS	**416 372 156**	**58 845 869**	**475 218 025**
COMMUNITY WEALTH			
Accumulated Surplus	299 293 408	44 168 180	343 461 588
Reserves	117 078 748	14 677 689	131 756 437
TOTAL COMMUNITY WEALTH/EQUITY	**416 372 156**	**58 845 869**	**475 218 025**

SENQU LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016

Refer to note 44.2 for Reasons for Material Variances for the Budget Comparisons

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)
REVENUE BY SOURCE			
Property rates	4 654 049	6 856 119	(2 202 071)
Service charges	30 896 123	30 738 115	158 008
Rental of facilities and equipment	756 417	312 356	444 061
Interest earned - external investments	13 913 370	9 160 000	4 753 370
Interest earned - outstanding debtors	2 493 926	1 191 796	1 302 130
Fines	323 933	272 472	51 461
Licences and permits	1 085 309	2 155 064	(1 069 755)
Agency services	1 080 375	1 815 217	(734 842)
Transfers and Subsidies - Operating	149 152 333	144 866 514	4 285 820
Other revenue	6 174 896	2 265 818	3 909 079
TOTAL OPERATING REVENUE	**210 530 733**	**199 633 470**	**10 897 262**
EXPENDITURE BY TYPE			
Employee related costs	62 172 869	68 715 378	(6 542 509)
Remuneration of councillors	11 063 818	11 728 752	(664 934)
Debt impairment	4 240 970	4 610 000	(369 030)
Depreciation & asset impairment	19 517 990	19 386 859	131 130
Finance charges	2 527 622	1 269 014	1 258 608
Bulk purchases	23 771 063	31 200 000	(7 428 937)
Contracted services	19 979 983	-	19 979 983
Other expenditure	29 103 458	64 569 755	(35 466 297)
Loss on disposal of PPE	290 300	-	290 300
TOTAL OPERATING EXPENDITURE	**172 668 071**	**201 479 757**	**(28 811 686)**
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**37 862 661**	**(1 846 287)**	**39 708 948**
Transfers and Subsidies - Capital	31 955 780	40 241 599	(8 285 819)
NET SURPLUS FOR THE YEAR	**69 818 441**	**38 395 312**	**31 423 128**

SENQU LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2016

Refer to note 44.2 for Reasons for Material Variances for the Budget Comparisons

ADJUSTMENTS TO APPROVED BUDGET

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)
REVENUE BY SOURCE			
Property rates	6 856 119	-	6 856 119
Service charges	29 381 115	1 357 000	30 738 115
Rental of facilities and equipment	312 356	-	312 356
Interest earned - external investments	7 360 000	1 800 000	9 160 000
Interest earned - outstanding debtors	1 141 796	50 000	1 191 796
Fines	272 472	-	272 472
Licences and permits	2 905 064	(750 000)	2 155 064
Agency services	1 665 217	150 000	1 815 217
Government Grants and Subsidies - Operating	143 637 100	1 229 414	144 866 514
Other revenue	2 196 818	69 000	2 265 818
TOTAL OPERATING REVENUE	**195 728 057**	**3 905 414**	**199 633 470**
EXPENDITURE BY TYPE			
Employee related costs	72 098 603	(3 383 226)	68 715 378
Remuneration of councillors	11 728 752	-	11 728 752
Debt impairment	4 610 000	-	4 610 000
Depreciation & asset impairment	19 131 859	255 000	19 386 859
Finance charges	1 221 014	48 000	1 269 014
Bulk purchases	31 200 000	-	31 200 000
Other expenditure	57 532 046	7 037 709	64 569 755
TOTAL OPERATING EXPENDITURE	**197 522 274**	**3 957 483**	**201 479 757**
OPERATING DEFICIT FOR THE YEAR	**(1 794 217)**	**(52 069)**	**(1 846 287)**
Government Grants and Subsidies - Capital	35 398 900	4 842 699	40 241 599
NET SURPLUS FOR THE YEAR	**33 604 683**	**4 790 630**	**38 395 312**

SENQU LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2016

Refer to note 44.2 for Reasons for Material Variances for the Budget Comparisons

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates, penalties & collection charges	3 605 127	5 163 688	(1 558 562)
Service charges	25 745 317	22 128 396	3 616 921
Other revenue	8 102 978	5 875 522	2 227 456
Government - operating	143 891 778	144 866 514	(974 736)
Government - capital	31 598 900	40 241 599	(8 642 699)
Interest	13 913 370	10 351 796	3 561 575
Payments			
Suppliers and Employees	(148 946 857)	(192 471 245)	43 524 389
Finance charges	(1 116 960)	(1 269 014)	152 054
NET CASH FROM OPERATING ACTIVITIES	**76 793 653**	**34 887 256**	**41 906 397**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	248 311	-	248 311
Payments			
Capital assets	(38 884 674)	(66 219 988)	27 335 314
NET CASH USED IN INVESTING ACTIVITIES	**(38 636 364)**	**(66 219 988)**	**27 335 314**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Increase in consumer deposits	102 728	79 568	23 160
Payments			
Repayment of borrowing	(802 388)	(802 795)	407
NET CASH USED IN FINANCING ACTIVITIES	**(699 660)**	**(723 228)**	**23 567**
NET INCREASE/(DECREASE) IN CASH HELD	**37 457 629**	**(32 055 960)**	**69 265 278**
Cash and Cash Equivalents at the beginning of the year	183 459 842	183 459 842	(0)
Cash and Cash Equivalents at the end of the year	220 917 469	151 369 156	69 548 313

SENQU LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2016

Refer to note 44.2 for Reasons for Material Variances for the Budget Comparisons

ADJUSTMENTS TO APPROVED BUDGET

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates, penalties & collection charges	6 444 752	(1 281 064)	5 163 688
Service charges	27 618 248	(5 489 852)	22 128 396
Other revenue	7 333 185	(1 457 663)	5 875 522
Government - operating	143 637 100	1 229 414	144 866 514
Government - capital	35 398 900	4 842 699	40 241 599
Interest	8 433 288	1 918 508	10 351 796
Payments			
Suppliers and Employees	(169 820 118)	(22 651 127)	(192 471 245)
Finance charges	(1 221 014)	(48 000)	(1 269 014)
NET CASH FROM OPERATING ACTIVITIES	**57 824 342**	**(22 937 086)**	**34 887 256**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	-	-	-
Payments			
Capital assets	(62 889 900)	(3 330 088)	(66 219 988)
NET CASH USED IN INVESTING ACTIVITIES	**(62 889 900)**	**(3 330 088)**	**(66 219 988)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Increase in consumer deposits	44 841	34 726	79 568
Payments			
Repayment of borrowing	(803 195)	400	(802 795)
NET CASH USED IN FINANCING ACTIVITIES	**(758 353)**	**35 126**	**(723 228)**
NET DECREASE IN CASH HELD	**(5 823 912)**	**(26 232 048)**	**(32 055 960)**
Cash and Cash Equivalents at the beginning of the year	128 102 683	55 357 159	183 459 842
Cash and Cash Equivalents at the end of the year	122 278 771	29 090 385	151 369 156

1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – November 2013) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

1.02 TRANSITIONAL PROVISIONS

The Municipality resolved to take advantage of the following transitional provisions:

In term of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Investment Property, Property, Plant and Equipment and Intangible Assets where the acquisition cost of an asset could not be determined.

1.03 PRESENTATION CURRENCY

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

1.04 GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis.

1.05 COMPARATIVE INFORMATION

1.05.1 Prior year comparatives

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.04.2 Amended Accounting Policies

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

1.06 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.07 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

Explanations for material differences between the final budget amounts and actual amounts are included the Statement of Comparison of Budget and Actual Amounts. Material differences are being defined by Management as 10% of a specific line-item with a minimum of R1 million.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

The Municipality resolved to early adopt the following amended Standards of GRAP which were issued but are not yet effective:

Standard	Description	Effective Date
GRAP 1 (May 2015)	Presentation of Financial Statements	1 April 2016
GRAP 16 (May 2015)	Investment Property	1 April 2016
GRAP 17 (May 2015)	Property, Plant and Equipment	1 April 2016
GRAP 31 (May 2015)	Intangible Assets	1 April 2016
GRAP 103 (May 2015)	Heritage Assets	1 April 2016

The effect of the above-mentioned amended Standards of GRAP which were early adopted is considered insignificant. The amendments to the Standards of GRAP mainly relate to additional disclosure requirements, the removal of encouraged disclosures and the clarification of accounting principles.

The Municipality further resolved not to early adopt Directive 12 - "The Selection of an Appropriate Reporting Framework by Public Entities" (effective 1 April 2018) as this Directive is not applicable to municipalities and will have no impact on the Municipality once it becomes effective.

1.08.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

The following Standards of GRAP have been issued but are not yet effective as the Minister of Finance has not yet determined the effective date for application:

1.08.2.1 GRAP 18 - Segment Reporting (Original - February 2011)

The objective of this Standard is to establish principles for reporting financial information by segments.

This Standard will be implemented as part of the Municipal Standard Chart of Accounts Regulation (mSCOA). The estimated date of implementation is 1 July 2017.

Preliminary investigations indicated that, other than additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.08.2.2 GRAP 20 - Related Party Disclosure (Original - June 2011)

The objective of this Standard is to ensure that a Municipality's financial statements contains the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

The Municipality resolved to develop an accounting policy as set out in note 1.35 and also adopt the disclosure requirements of this Standard.

The impact of this Standard on the financial statements will be minimal.

1.08.2.3 GRAP 32 - Service Concession Arrangements: Grantor (Original - August 2013)

The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public sector entity.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.08.2.4 GRAP 108 - Statutory Receivables (Original - September 2013)

The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

The Municipality resolved to develop an accounting policy as set out in note 1.2.

The impact of this Standard on the financial statements will be minimal.

1.08.2.5 GRAP 109 - Accounting by Principles and Agents(Original - July 2015)

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

No significant impact is expected as the Municipality's current treatment is already in line with the Standard's requirements.

1.08.2.6 IGRAP 17 - Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards provides guidance to the grantor where it has entered into a service concession arrangement, but only controls a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.09 RESERVES

1.09.1 *Revaluations Reserve*

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

All increases in the carrying value of assets as a result of a revaluation are credited against the reserve, except to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in the Statement of Financial Performance.

All decreases in the carrying value of assets as a result of a revaluation are debited against the reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The following reserves are ring-fenced in the accumulated surplus and therefore disclosed as part of the accmulated surplus in the statement of financial position:

1.09.2 *Capital Replacement Reserve (CRR)*

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

(a) The cash funds that back up the CRR are invested until utilised.
(b) The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
(c) Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount.

1.09.3 *Employee Benefits Reserve*

The aim of the reserve is to ensure sufficient cash resources are available for the future payment of employee benefits.

Contributions equal to the short term portion of employee benefits, plus 5% of the prior year closing balance of long term employee benefits is contributed to the reserve from accumulated surplus.

1.09.4 *Valuation Roll Reserve*

The aim of this reserve is to ensure sufficient cash resources are available to undertake a General Valuation as per the Municipal Property Rates Act.

The contribution to this reserve should be approximately 25% of the anticipated cost of the General Valuation.

1.10 INVESTMENT PROPERTY

1.10.1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

Where investment property is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.10.2 Subsequent Measurement – Fair Value Model

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is recognised in the Statement of Financial Performance for the period in which it arises.

1.10.3 Derecognition

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

1.10.4 Application of deemed cost - Directive 7

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009.

The Municipality applied deemed cost where the acquisition cost of an asset could not be determined.

The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007.

1.11 PROPERTY, PLANT AND EQUIPMENT

1.11.1 Initial Recognition

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

1.11.2 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.11.3 Subsequent Measurement – Revaluation Model

Subsequent to initial recognition, Land and Buildings are carried at a re-valued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Financial Performance.

1.11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in the Statement of Financial Performance, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

1.11.3 Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate are accounted for on a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
Infrastructure		**Land and Buildings**	
Roads and Paving	7 - 110	Buildings and	
Pedestrian Malls	7 - 52	Improvements	5 - 100
Electricity	15 - 65	Land	Indefinite
Storm Water	10 - 78		
Community		**Other Assets**	
Community Halls	100	Vehicles	5 - 18
Libraries	100	Plant & Equipment	3 - 20
Parks & Gardens	15 - 30	Furniture	3 - 20
Sports facilities	25 - 45	Special Vehicles	10 - 15
Cemeteries		Specialised plant and Equipment	8 - 15
		Office Equipment	4 - 15
Capitalised Resoration Cost		Computer Hardware	3 - 15
Landfill Sites	9 - 52	Bins and containers	5 - 15

1.11.4 Impairment

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

1.11.5 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.11.6 Land and buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined.

For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007.

For Other Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2007.

1.12 INTANGIBLE ASSETS

1.12.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

The Municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.12 INTANGIBLE ASSETS (CONTINUED)

Internally generated intangible assets are subject to a strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) its intention to complete the intangible asset and use or sell it;
(c) its ability to use or sell the intangible asset;
(d) how the intangible asset will generate probable future economic benefits or service potential;
(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.12.2 Subsequent Measurement - Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses.

1.12.3 Amortisation

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible asset with a finite life asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The annual amortisation rates are based on the following estimated useful lives:

	Years
Computer Software	5 - 15

1.12.4 Impairment

Intangible assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.12 INTANGIBLE ASSETS (CONTINUED)

1.12.5 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.12.6 Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009.

The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciated replacement cost method was used to establish the deemed cost as on 1 July 2007.

1.13 IMPAIRMENT OF NON-MONETARY ASSETS

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Cash-generating assets are assets held with the primary objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

1.13.1 Recoverable amount of Cash-generating assets

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

The best evidence of fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

1.13.2 Recoverable amount of Non-cash-generating assets

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

1.13 IMPAIRMENT OF NON-MONETARY ASSETS (CONTINUED)

1.13.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.13.4 Reversal of an impairment loss

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

After the reversal of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14 INVENTORIES

1.14.1 Initial Recognition

Inventories are assets:

(a) in the form of materials or supplies to be consumed in the production process;
(b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
(c) held for sale or distribution in the ordinary course of operations; or
(d) in the process of production for sale or distribution.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

1.14 INVENTORIES (CONTINUED)

Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition.

1.14.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the weighted average method.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.15 EMPLOYEE BENEFITS

Defined-contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

1.15 EMPLOYEE BENEFITS (CONTINUED)

1.15.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

1.15.1.1 Multi-employer defined benefit plans

The municipality contributes to various National- and Provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. These defined benefit funds are actuarially valued on the projected unit credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

1.15.1.2 Post Retirement Medical Obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined. The plan is unfunded.

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.15.2 Long-term Benefits

1.15.2.1 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.15 EMPLOYEE BENEFITS (CONTINUED)

1.15.3 Short-term Benefits

1.15.3.1 Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

1.15.3.2 Staff Bonuses Accrued

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

1.15.3.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.15.3.4 Other Short-term Employee Benefits

When an employee has rendered service to the Municipality during a reporting period, the Municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

(a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

(b) as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.16 PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

1.16 PROVISIONS (CONTINUED)

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The Municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

(b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

1.17 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

1.17.1 Municipality as Lessee

1.17.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

1.18 LEASES (CONTINUED)

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

1.17.1.2 Operating leases

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

1.17.2 Municipality as Lessor

1.17.2.1 Operating Leases

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

1.19 FINANCIAL INSTRUMENTS

1.19.1 Initial Recognition

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.19.2 Subsequent Measurement

Financial instruments are categorised as follow:

(a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.

1.19 FINANCIAL INSTRUMENTS (CONTINUED)

(b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.

(c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:

(i) derivatives;
(ii) combined instruments that are designated at fair value;
(iii) instruments held for trading;
(iv) non-derivative financial assets or financial liabilities with fixed or determinable payments. that are designated at fair value at initial recognition; or
(v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

1.19.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

1.19.3.1 Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

1.19.3.2 Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not be reversed.

1.19 FINANCIAL INSTRUMENTS (CONTINUED)

1.19.4 Derecognition of financial instruments

1.19.4.1 Financial assets

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.19.4.2 Financial liabilities

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

1.19.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.20 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

1.20.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

1.20.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

1.20 STATUTORY RECEIVABLES (CONTINUED)

1.20.3 Impairment and uncollectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

1.20.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

1.21 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

1.22 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

1.22 RECEIVABLES (CONTINUED)

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

1.23 TAXES (VALUE ADDED TAX)

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the cash basis.

1.24 PAYABLES AND ANNUITY LOANS

Payables and annuity loans are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.25 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.26 PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

1.26 PAYABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.27 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

1.27.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.27.1.1 Taxation Revenue

Taxation revenue comprises of property rates. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

1.27.1.2 Transfer Revenue

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

1.27 REVENUE (CONTINUED)

1.27.1.3 Fines

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue. Any fine reductions or cancellations subsequent to the reported date is recorded as a write-off against the provision raised for debt impairment. In cases where fines and summonses are issued by another government departments, revenue will only be recognised when monies are received, as the Municipality does not have any control over fines issued by other government institutes.

1.27.1.4 Insurance Receipts

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired

1.27.1.5 Unclaimed deposits

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognised all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

1.27.1.6 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

1.27.1.7 Services in-kind

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

1.27.1.8 Contributed Assets

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

1.27 REVENUE (CONTINUED)

1.27.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

1.27.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

1.27.2.2 Investment income

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

1.27.2.3 Rental income

Revenue from the rental of fixed assets is recognised on a straight-line basis over the term of the lease agreement.

1.27.2.4 Income from Agency Services

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.27.2.5 Other Tariffs

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

1.27 REVENUE (CONTINUED)

1.27.2.6 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

(a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
(b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
(c) The amount of revenue can be measured reliably.
(d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.27.2.7 Deferred payment

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

1.28 BORROWING COSTS

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

1.29 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.30 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.31 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.32 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measures with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

1.33 CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.34 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
(b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.35 RELATED PARTIES

The Municipality regards a related party as a person or an entity with the ability to control the Municipality either individually or jointly, or the ability to exercise significant influence over the Municipality, or vice versa.

1.36 RELATED PARTIES (CONTINUED)

Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Mayor, Speaker, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.

1.37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.37.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

1.37.2 Impairment of Receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1.37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

1.37.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.37.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property, Intangible assets and Heritage assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

1.37.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical obligations and long-service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.37.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthworks as published by Statistics South Africa.

1.37.7 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

1.37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

1.37.8 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

		2016 R	2015 R
2	**CASH AND CASH EQUIVALENTS**		
	Primary Bank Account	902 121	2 162 543
	Call and short-term Investments Deposits	220 014 648	181 296 599
	Cash Floats	700	700
	Total	**220 917 469**	**183 459 842**

Due to the short term nature of cash deposits, all balances included above is in line with their fair value.

Cash and Cash Equivalents are held to support the following commitments:

Unspent Conditional Grants	11 144 292	16 761 727
Capital Replacement Reserve	129 954 167	104 617 764
Valuation Roll Reserve	1 204 645	909 291
Employee Benefit Reserve	24 018 277	20 219 473
Taxes	528 782	4 699 072
Working Capital Requirements	54 067 305	36 252 516
	220 917 469	**183 459 842**

Primary Bank Account

Standard Bank - Lady Grey Branch - Account Number 28 063 130 8

Bank Statement Balance - Opening Balance	2 130 982	1 136 813
Bank Statement Balance - Closing Balance	657 401	2 130 982
Cashbook Balance - Opening Balance	2 162 543	1 197 764
Cashbook Balance - Closing Balance	902 121	2 162 543

Call and Notice Deposits

Call and Notice Deposits consist out of the following accounts:

Standard Bank 388489162/0	143 280 433	109 686 180
Standard Bank 388489731/0	68 787 916	64 118 799
Standard Bank 388486066/0	7 946 298	7 491 620
	220 014 648	**181 296 599**

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

30 JUNE 2016

	Gross Balance R	Allowance for impairment R	Net Receivable R
Service Receivables	**25 935 792**	**20 349 607**	**5 586 185**
Electricity	18 859 517	13 970 570	4 888 947
Refuse	6 595 528	6 144 225	451 304
Housing Rentals	480 747	234 812	245 934
Other Receivables	**4 860 905**	**-**	**4 860 905**
Joe Gqabi District Municipality (WSA)	4 860 905	-	4 860 905
Total	**30 796 697**	**20 349 607**	**10 447 090**

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

30 JUNE 2015

	Gross Balance	Allowance for impairment	Net Receivable
	R	R	R
Service Receivables	**21 246 910**	**16 797 509**	**4 449 401**
Electricity	15 617 452	11 477 357	4 140 095
Refuse	5 421 119	5 144 848	276 271
Housing Rentals	208 339	175 304	33 035
Other Receivables	**4 954 627**	**-**	**4 954 627**
Joe Gqabi District Municipality (WSA)	4 954 627	-	4 954 627
Total	**26 201 538**	**16 797 509**	**9 404 029**

Included in the outstanding balances at 30 June 2016 are consumer debtors to the value of R 2,7 million who have made arrangements to repay their outstanding debt over a re-negotiated period.

The carrying value of receivables are in line with their fair value. A credit period of 30 days are granted on initial recognition of the receivable, which is considered to be in line with industry norms. Interest at prime rate + 1% is charged on overdue accounts.

Ageing of service and other receivables:	2016 R	2015 R
Electricity Ageing		
Current (0 - 30 days)	3 645 317	3 243 302
Past Due (31 - 60 Days)	1 616 614	1 092 966
Past Due (61 - 90 Days)	918 558	772 177
Past Due (90 Days +)	12 679 027	10 509 008
Total	**18 859 517**	**15 617 452**
Refuse Ageing		
Current (0 - 30 days)	318 088	229 796
Past Due (31 - 60 Days)	217 087	155 295
Past Due (61 - 90 Days)	168 118	130 119
Past Due (90 Days +)	5 892 235	4 905 910
Total	**6 595 528**	**5 421 119**
Housing Rentals Ageing		
Current (0 - 30 days)	69 195	16 588
Past Due (31 - 60 Days)	47 626	6 291
Past Due (61 - 90 Days)	13 217	4 056
Past Due (90 Days +)	350 709	181 403
Total	**480 747**	**208 339**
Other Receivables Ageing		
Past Due (90 Days +)	4 860 905	4 954 627
Total	**4 860 905**	**4 954 627**

		2016 R	2015 R
3	**RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)**		
	Total Service and Other Receivables Ageing		
	Current (0 - 30 days)	4 032 600	3 489 686
	Past Due (31 - 60 Days)	1 881 327	1 254 553
	Past Due (61 - 90 Days)	1 099 894	906 351
	Past Due (90 Days +)	23 782 876	20 550 948
	Total	**30 796 697**	**26 201 538**
	Reconciliation of Allowance for impairment		
	Balance at the beginning of the year	16 797 509	13 616 434
	Contribution to the provision	4 014 023	3 181 075
	Electricity	2 729 955	2 431 860
	Refuse	1 224 560	940 262
	Housing Rentals	59 509	(191 047)
	Bad Debts Written off	(461 925)	-
	Electricity	(236 742)	-
	Refuse	(225 183)	-
	Balance at the end of the year	**20 349 607**	**16 797 509**

The Allowance for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

30 JUNE 2016

	Gross Balance R	Allowance for impairment R	Net Receivable R
Service Receivables	**8 353 021**	**7 743 237**	**609 784**
Rates	8 353 021	7 743 237	609 784
Other Receivables	**1 903 817**	**437 850**	**1 465 967**
Traffic fines income due	437 850	437 850	-
Other Receivables	1 465 967	-	1 465 967
Total	**10 256 838**	**8 181 087**	**2 075 751**

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

30 JUNE 2015

	Gross Balance	Allowance for impairment	Net Receivable
	R	R	R
Service Receivables	**7 489 363**	**6 714 576**	**774 787**
Rates	7 489 363	6 714 576	774 787
Other Receivables	**1 761 328**	**339 800**	**1 421 528**
Traffic fines income due	339 800	339 800	-
Other Receivables	1 421 528	-	1 421 528
Total	**9 250 691**	**7 054 376**	**2 196 315**

The carrying value of receivables are in line with their fair value. A credit period of 30 days are granted on initial recognition of the receivable, which is considered to be in line with industry norms. Interest at prime rate + 1% is charged on overdue accounts.

	2016	2015
	R	R
Ageing of service receivables:		
Rates Ageing		
Current (0 - 30 days)	60 416	47 205
Past Due (31 - 60 Days)	191 057	168 195
Past Due (61 - 90 Days)	175 194	133 881
Past Due (90 Days +)	7 926 354	7 140 081
Total	**8 353 021**	**7 489 363**

Reconciliation of Allowance for impairment

Balance at the beginning of the year	7 054 376	5 851 689
Contribution to the provision	1 311 975	1 202 687
Rates	1 213 925	862 887
Fines	98 050	339 800
Bad Debts Written off	(185 264)	-
Rates	(185 264)	-
Balance at the end of the year	**8 181 087**	**7 054 376**

The Allowance for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

The ageing of amounts past due but not impaired is as follows:

	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
2016			
1 month past due	1 171 506	39 850	1 211 356
2 + months past due	1 141 478	566 087	1 707 564
Total	**2 312 984**	**605 936**	**2 918 920**
2015			
1 month past due	664 345	45 407	709 752
2 + months past due	1 123 325	727 011	1 850 336
Total	**1 787 670**	**772 418**	**2 560 088**

Trade and other receivables impaired:

	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
2016			
Total	20 349 607	8 181 087	28 530 694
2015			
Total	16 797 509	7 054 376	23 851 885

	2016 R	2015 R
5 TAXES		
Vat Receivable	7 745 040	6 529 159
Balance previously reported	-	6 602 552
Prior period adjustment - Note 40.3	-	(73 393)
Vat Payable	(2 476 282)	(6 208 733)
Balance previously reported	-	(2 017 978)
Prior period adjustment - Note 40.3	-	(4 190 755)
Vat on Contribution to Provision for Impairment of Trade Receivables from Exchange Transactions	1 947 500	1 509 661
Total	**7 216 258**	**1 830 087**

VAT is accounted for on the cash basis.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies

		2016 R	2015 R
6	**OPERATING LEASES**		
6.1	**OPERATING LEASE ASSETS**		
	Operating Lease Asset	**234 247**	**271 412**

The operating lease asset is derived from contracts where the municipality acts as the lessor in the agreement.

Reconciliation of Operating Lease Asset:		
Balance at the beginning of the year	271 412	297 191
Movement during the year	(37 165)	(25 780)
Balance at the end of the year	**234 247**	**271 412**

The municipality will receive the following lease payments from contracts that have defined lease payments and terms:

Within 1 Year	792 232	628 440
Between 1 and 5 Years	1 833 744	1 136 889
	2 625 976	**1 765 328**

The lease payments are in respect of properties being lease out over a period ranging up to 2021.

6.2	**OPERATING LEASE LIABILITIES**		
	Operating Lease Liability	**5 678**	**6 240**

The operating lease liability is derived from contracts where the municipality acts as the lessee in the agreement.

Reconciliation of Operating Lease Liability:		
Balance at the beginning of the year	6 240	4 743
Movement during the year	(561)	1 497
Balance at the end of the year	**5 678**	**6 240**

The municipality will incur the following lease expenditure from contracts that have defined lease payments and terms:

Within 1 Year	30 005	27 782
Between 1 and 5 Years	21 042	51 047
	51 047	**78 829**

The Municipality entered into a lease agreement to rent the Library building in Lady Grey. The lease agreement commenced on 1 March 2013 and will run up to 28 February 2018. The initial monthly rental is R2 204 (VAT inclusive) and the lease is subject to an annual increase of 8%. The municipality has the option to renew the lease after 28 February 2018.

		2016 R	2015 R
7	**INVENTORY**		
	Electricity materials	1 456 056	1 273 634
	Balance previously reported	-	1 382 197
	Prior period adjustment - Note 40.4	-	(108 563)
	Total	**1 456 056**	**1 273 634**

No inventory were pledged as security for liabilities.

8	**INVESTMENT PROPERTY**		
	Investment Property - Carrying Value	**22 201 000**	**17 024 205**

The movement in investment properties is reconciled as follows:

Opening Carrying Value	17 024 205	12 193 500
Fair Value	17 024 205	12 193 500
Fair Value Adjustment	5 323 145	5 716 750
Impairment	(146 350)	(886 045)
Closing Carrying Value	22 201 000	17 024 205
Fair Value	22 201 000	17 024 205

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The valuations were performed by Umhlaba Valuers and the valuer was Mr Hein McLeod, a professional valuer with registration number 3257. Properties were valued on the comparative sales method of valuation, based on the active market values in the area.

Rental revenue earned from Investment Properties	627 828	424 618

9 PROPERTY PLANT AND EQUIPMENT

30 June 2016	Cost						Accumulated Depreciation						
	Opening Balance	Additions	Disposals	Gain on Fair Value Revaluation	Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Revaluation	Loss on Fair Value Revaluation	Transfers to Cost	Closing Balance	Carrying Value
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**78 379 624**	**8 724 492**	**-**	**5 135 490**	**(1 181 087)**	**91 058 520**	**-**	**627 538**	**(627 538)**	**1 181 087**	**(1 181 087)**	**-**	**91 058 520**
Land	19 817 145	-	-	2 003 240	(363 835)	21 456 550	-	-	-	363 835	(363 835)	-	21 456 550
Buildings	58 562 479	8 724 492	-	3 132 250	(817 252)	69 601 970	-	627 538	(627 538)	817 252	(817 252)	-	69 601 970
Infrastructure	**204 463 143**	**20 128 893**	**(788 380)**	**-**	**-**	**223 803 656**	**64 065 588**	**10 947 205**	**(395 128)**	**-**	**-**	**74 617 665**	**149 185 991**
Roads	131 716 621	12 698 359	(75 257)	-	-	144 339 723	52 276 695	8 828 423	(73 823)	-	-	61 031 295	83 308 428
Stormwater	43 073 619	4 579 582	(42 874)	-	-	47 610 327	7 269 413	1 240 286	(19 283)	-	-	8 490 416	39 119 911
Solid Waste	3 240 254	501 536	-	-	-	3 741 790	1 364 900	150 928	-	-	-	1 515 827	2 225 963
Electricity	13 916 219	2 349 416	(670 249)	-	-	15 595 386	2 767 508	341 554	(302 022)	-	-	2 807 041	12 788 345
Taxi Ranks	12 516 431	-	-	-	-	12 516 431	387 072	386 015	-	-	-	773 087	11 743 345
Community Assets	**28 454 193**	**5 957 084**	**-**	**-**	**-**	**34 411 277**	**900 102**	**941 636**	**-**	**-**	**-**	**1 841 738**	**32 569 539**
Sports Fields	16 132 697	1 625 613	-	-	-	17 758 310	268 423	525 772	-	-	-	794 195	16 964 115
Node Development	8 380 791	-	-	-	-	8 380 791	524 780	260 605	-	-	-	785 385	7 595 406
Parks & Gardens	1 090 100	70 163	-	-	-	1 160 263	48 852	43 621	-	-	-	92 473	1 067 790
Cemetery	2 850 605	4 231 642	-	-	-	7 082 247	58 047	111 638	-	-	-	169 685	6 912 562
Other	-	29 666	-	-	-	29 666	-	-	-	-	-	-	29 666
Other Assets	**46 642 868**	**3 989 166**	**(1 341 509)**	**-**	**-**	**49 290 526**	**15 628 211**	**5 695 922**	**(1 196 150)**	**-**	**-**	**20 127 984**	**29 162 542**
Motor Vehicles	10 565 986	1 324 939	(376 630)	-	-	11 514 296	3 939 307	1 767 795	(345 699)	-	-	5 361 403	6 152 893
Plant & Equipment	21 920 549	1 007 461	(657 573)	-	-	22 270 437	6 665 296	2 150 511	(584 733)	-	-	8 231 074	14 039 362
Office Equipment	1 732 751	357 153	(41 522)	-	-	2 048 382	1 034 047	273 696	(38 006)	-	-	1 269 737	778 645
Furniture & Fittings	4 352 738	237 193	(22 793)	-	-	4 567 137	1 478 422	494 702	(20 684)	-	-	1 952 441	2 614 696
Loose Equipment	527 126	67 332	(57 451)	-	-	537 007	213 889	111 631	(47 139)	-	-	278 381	258 625
Computer Equipment	4 071 825	383 008	(185 539)	-	-	4 269 294	1 823 075	620 901	(159 889)	-	-	2 284 086	1 985 208
Specialised Vehicles	3 469 298	612 080	-	-	-	4 081 378	471 641	276 635	-	-	-	748 277	3 333 102
Security Items	2 595	-	-	-	-	2 595	2 534	50	-	-	-	2 584	11
Total	**357 939 829**	**38 799 636**	**(2 129 889)**	**5 135 490**	**(1 181 087)**	**398 563 979**	**80 593 902**	**18 212 301**	**(2 218 816)**	**1 181 087**	**(1 181 087)**	**96 587 387**	**301 976 592**

9 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

30 JUNE 2015	Cost						Accumulated Depreciation						
	Opening Balance	Additions	Disposals	Gain on Fair Value Revaluation	Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Revaluation	Loss on Fair Value Revaluation	Transfers to Cost	Closing Balance	Carrying Value
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**60 082 750**	**10 826 487**	**-**	**12 194 722**	**(4 724 335)**	**78 379 624**	**-**	**502 248**	**(502 248)**	**4 724 335**	**(4 724 335)**	**-**	**78 379 624**
Land	13 525 050	400 000	-	8 542 416	(2 650 321)	19 817 145	-	-	-	2 650 321	(2 650 321)	-	19 817 145
Buildings	46 557 700	10 426 487	-	3 652 306	(2 074 014)	58 562 479	-	502 248	(502 248)	2 074 014	(2 074 014)	-	58 562 479
Infrastructure	**189 115 674**	**15 673 462**	**(325 993)**	**-**	**-**	**204 463 143**	**54 810 854**	**9 559 599**	**(304 865)**	**-**	**-**	**64 065 588**	**140 397 555**
Roads	127 408 200	4 621 274	(312 854)	-	-	131 716 621	44 979 648	7 599 546	(302 499)	-	-	52 276 695	79 439 926
Stormwater	35 141 967	7 944 790	(13 139)	-	-	43 073 619	6 175 260	1 096 520	(2 366)	-	-	7 269 413	35 804 205
Solid Waste	3 124 477	115 777	-	-	-	3 240 254	1 213 972	150 928	-	-	-	1 364 900	1 875 355
Electricity	10 924 598	2 991 620	-	-	-	13 916 219	2 440 917	326 592	-	-	-	2 767 508	11 148 710
Taxi Ranks	12 516 431	-	-	-	-	12 516 431	1 058	386 015	-	-	-	387 072	12 129 359
Community Assets	**16 277 356**	**12 176 837**	**-**	**-**	**-**	**28 454 193**	**326 150**	**573 952**	**-**	**-**	**-**	**900 102**	**27 554 091**
Sports Fields	4 967 204	11 165 493	-	-	-	16 132 697	44 455	223 968	-	-	-	268 423	15 864 274
Node Development	8 380 791	-	-	-	-	8 380 791	264 175	260 605	-	-	-	524 780	7 856 011
Parks & Gardens	954 392	135 708	-	-	-	1 090 100	6 410	42 442	-	-	-	48 852	1 041 248
Cemetery	1 974 969	875 636	-	-	-	2 850 605	11 110	46 937	-	-	-	58 047	2 792 558
Other Assets	**39 332 495**	**9 301 162**	**(1 990 789)**	**-**	**-**	**46 642 868**	**12 193 688**	**4 866 673**	**(1 432 150)**	**-**	**-**	**15 628 211**	**31 014 656**
Motor Vehicles	6 579 674	5 152 369	(1 166 056)	-	-	10 565 986	3 234 660	1 362 300	(657 653)	-	-	3 939 307	6 626 680
Plant & Equipment	20 825 826	1 498 650	(403 927)	-	-	21 920 549	5 052 311	2 019 311	(406 326)	-	-	6 665 296	15 255 253
Office Equipment	1 706 590	118 445	(92 284)	-	-	1 732 751	869 366	242 645	(77 964)	-	-	1 034 047	698 704
Furniture & Fittings	3 488 712	909 146	(45 121)	-	-	4 352 738	1 124 212	387 180	(32 970)	-	-	1 478 422	2 874 315
Loose Equipment	567 500	-	(40 374)	-	-	527 126	122 492	112 902	(21 504)	-	-	213 889	313 237
Computer Equipment	2 692 299	1 622 552	(243 026)	-	-	4 071 825	1 577 462	481 345	(235 732)	-	-	1 823 075	2 248 750
Specialised Vehicles	3 469 298	-	-	-	-	3 469 298	210 701	260 940	-	-	-	471 641	2 997 657
Security Items	2 595	-	-	-	-	2 595	2 484	50	-	-	-	2 534	61
Total	**304 808 275**	**47 977 948**	**(2 316 782)**	**12 194 722**	**(4 724 335)**	**357 939 829**	**67 330 693**	**15 502 472**	**(2 239 263)**	**4 724 335**	**(4 724 335)**	**80 593 902**	**277 345 927**

9 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

30 JUNE 2015	Cost						Accumulated Depreciation						
	Opening Balance R	Additions R	Disposals R	Transfers R	Transfers R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Transfers R	Transfers R	Closing Balance R	Carrying Value R
Balance Previously Reported	304 555 336	48 331 283	(2 316 782)	13 861 414	(4 184 901)	360 246 350	67 362 239	15 509 804	(2 236 424)	4 184 901	(4 184 901)	80 635 620	279 610 731
Prior Period Adjustment - Refer to Note 40.5	252 939	(353 335)	-	(1 666 691)	(539 435)	(2 306 521)	(31 546)	(7 332)	(2 839)	539 435	(539 435)	(41 717)	(2 264 804)
Restated Balance	**304 808 275**	**47 977 948**	**(2 316 782)**	**12 194 722**	**(4 724 335)**	**357 939 829**	**67 330 693**	**15 502 472**	**(2 239 263)**	**4 724 335**	**(4 724 335)**	**80 593 902**	**277 345 927**

The following work in progress balances are included in PPE. No Depreciation charge is recognised against these amounts.

	2016 R	2015 R
Buildings	8 355 220	592 553
Cemeteries	4 551 371	2 129 102
Infrastructure - Electricity	2 559 948	2 991 620
Infrastructure - Roads	8 223 719	3 661 194
Infrastructure - Waste Management	1 067 025	565 489
Sports Fields	802 055	6 176 107
Parks & Gardens	70 163	-
Community Assets - Other	29 666	-
Total Work in Progress (WIP)	**25 659 167**	**16 116 066**

		2016 R	2015 R
10	**INTANGIBLE ASSETS**		
	Intangible Assets - Carrying Value	**219 932**	**202 654**
	The movement in intangible assets is reconciled as follows:		
	Opening Carrying Value	202 654	160 005
	Cost	625 450	568 304
	Accumulated Amortisation	(422 796)	(408 299)
	Acquisitions	85 039	111 547
	Disposals	-	(789)
	Amortisation for the year	(67 761)	(68 109)
	Closing Carrying Value	219 932	202 654
	Cost	710 489	625 450
	Accumulated Amortisation	(490 557)	(422 796)

Intangible Assets consist only out of software

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

11	**CAPITALISED RESTORATION COST (PPE)**		
	Capitalised Restoration Cost - Carrying Value	**1 114 902**	**1 293 601**
	The movement in capitalised restoration cost is reconciled as follows:		
	Opening Carrying Value	1 293 601	1 159 953
	Cost	2 831 294	2 383 857
	Accumulated Depreciation	(1 290 774)	(1 094 617)
	Accumulated Impairments	(246 919)	(129 287)
	Additions/(Disposal)	(5 403)	447 437
	Depreciation for the year	(71 865)	(196 157)
	Impairments for the year	(101 430)	(117 632)
	Closing Carrying Value	1 114 902	1 293 601
	Cost	2 825 891	2 831 294
	Accumulated Depreciation	(1 362 639)	(1 290 774)
	Accumulated Impairments	(348 349)	(246 919)

11 CAPITALISED RESTORATION COST (PPE) (CONTINUED)

The municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Senqu Municipality.

Although this item is accounted for under the Property Plant and Equipment Standard (GRAP 17), the characteristics and nature of this item does not resemble that of normal PPE (such as the tangible nature of assets normally associated with PPE). Based on the aforementioned and in line with the requirements of GRAP 1, Capitalised Restoration Cost is disclosed as a seperate item on the face of the Statement of Financial Position.

Refer to note 18 for more detail relating to this asset financed by way of a provision

		2016 R	2015 R
12	**BORROWINGS**		
	Annuity Loans	12 842 661	13 645 050
	Sub-Total	**12 842 661**	**13 645 050**
	Less: Current portion	814 516	802 795
	Annuity Loans	814 516	802 795
	Total	**12 028 145**	**12 842 254**

Borrowings were fully utilised to purchase property plant and equipment. No loans were unspent and no cash were set aside to finance future installments.

Annuity loans are payable as follows:

Payable within one year	1 861 350	1 868 301
Payable within two to five years	6 588 267	6 790 715
Payable after five years	11 782 431	13 353 580
Total amount payable	**20 232 048**	**22 012 596**
Less: Outstanding Future Finance Charges	(7 389 387)	(8 367 546)
Present value of annuity loans	**12 842 661**	**13 645 050**

		2016 R	2015 R
13	**CONSUMER DEPOSITS**		
	Electricity	1 341 579	1 238 851
	Total	**1 341 579**	**1 238 851**

No guarantees held in lieu of Electricity Deposits

The carrying value of consumer deposits are in line with its fair value. Outstanding balances does not attract any interest.

Consumer deposits are paid by consumers on application for new and electricity connections. The deposits are repaid when the electricity connections are terminated. In cases where consumers default on their accounts, Council utilizes the deposit as payment for the outstanding account.

14	**PAYABLES FROM EXCHANGE TRANSACTIONS**		
	Other Payables	923 790	1 172 783
	Deposits: Other	42 282	22 358
	Payments received in advance	942 775	911 189
	Retentions	1 526 432	855 307
	Balance previously reported	-	895 284
	Prior period adjustment - Note 40.6	-	(39 977)
	DBSA Interest Accrual	286 094	279 836
	Over payment of NDPG by National Treasury	4 602 000	4 602 000
	Total	**8 323 374**	**7 843 474**

Payables are being recognised net of any discounts received.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of payables approximates its fair value.

15	**PAYABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Unspent Conditional Government Grants		
	National Government	2 010 056	6 852 755
	Provincial Government	9 134 236	9 908 972
	Total	**11 144 292**	**16 761 727**

Detail reconciliations of all grants received and grant conditions met are included in note 21. Unspent grant balances are recognised to the extent that conditions are not yet met.

No grants were withheld in the current year.

15 PAYABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

16 CURRENT EMPLOYEE BENEFITS

	2016 R	2015 R
Post Retirement Medical Benefits - Note 17	282 756	261 480
Long Service Awards - Note 17	184 055	148 209
Bonuses	1 873 829	1 653 280
Performance Bonuses	2 094 397	1 357 050
Compensation for injuries on duty contribution	1 982 381	1 301 280
Staff Leave	3 072 828	3 109 190
Total	**9 490 246**	**7 830 488**

The movement in current employee benefits are reconciled as follows:

Bonuses

Opening Balance	1 653 280	1 430 822
Contribution during the year	3 347 493	222 458
Payments made	(3 126 943)	-
Balance at end of year	**1 873 829**	**1 653 280**

Bonuses are paid in November of each year to permanent employees and contract employees structuring the package to provide for 13th cheque.

Performance Bonuses

Opening Balance	1 357 050	1 295 673
Contribution during the year	2 522 395	1 332 142
Payments made	(1 785 048)	(1 270 765)
Balance at end of year	**2 094 397**	**1 357 050**

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

		2016 R	2015 R
16	**CURRENT EMPLOYEE BENEFITS (CONTINUED)**		
	Compensation for injuries on duty contribution		
	Opening Balance	1 301 280	712 960
	Contribution during the year	681 101	588 320
	Balance at end of year	**1 982 381**	**1 301 280**
	The balance on the compensation for injuries on duty contribution represents the current liability of the municipality that has not yet been paid over to the relevant authorities. There is no possibility of reimbursement.		
	Staff Leave		
	Opening Balance	3 109 190	2 469 148
	Contribution during the year	1 313 762	1 609 614
	Payments made	(1 350 124)	(969 573)
	Balance at end of year	**3 072 828**	**3 109 190**
	Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.		
17	**EMPLOYEE BENEFITS**		
	Post Retirement Medical Benefits	13 312 125	11 341 154
	Long Service Awards	1 215 906	1 047 831
	Total	**14 528 031**	**12 388 985**
17.1	**POST RETIREMENT MEDICAL BENEFITS**		
	The movement in Post Retirement Medical Benefits are reconciled as follows:		
	Opening Balance	11 602 634	10 450 884
	Contribution during the year	2 166 338	1 907 965
	Current Service Cost	1 126 941	960 750
	Interest Cost	1 039 397	947 215
	Payments made	(251 857)	(233 044)
	Actuarial Loss/(Gain)	77 766	(523 171)
	Total balance at year-end	13 594 881	11 602 634
	Less: Current Portion - Note 16	(282 756)	(261 480)
	Total	**13 312 125**	**11 341 154**

17 EMPLOYEE BENEFITS (CONTINUED)

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2016	2015
In-service members	144	119
Continuation members	6	6
Total	150	125

The liability in respect of past service has been estimated to be as follows:

	2016 R	2015 R
In-service members	10 093 176	8 206 306
Continuation members	3 501 705	3 396 328
Total Unfunded Liability	**13 594 881**	**11 602 634**

The liability in respect of past service has been estimated to be as follows for years prior to the comparative year:

	2014 R	2013 R	2012 R
In-service members	7 298 813	6 904 449	8 584 474
Continuation members	3 152 071	2 792 297	2 619 823
Total Unfunded Liability	**10 450 884**	**9 696 746**	**11 204 297**

Experience adjustments were calculated as follows:

	2016 R m	2015 R m
Liabilities: (Gain)/Loss	0.122	(0.334)
Assets: Gain/(Loss)	-	-

Experience adjustments were calculated as follows in years prior to the comparative year:

	2014 R m	2013 R m	2012 R m
Liabilities: (Gain)/Loss	(1.344)	(1.777)	0.341
Assets: Gain/(Loss)	-	-	-

The municipality contributes to the following medical schemes on a monthly basis:

Bonitas
Discovery
Hosmed
LA Health
Key Health, and
SAMWU Medical Aid

17 EMPLOYEE BENEFITS (CONTINUED)

	2016	2015
Key Actuarial Assumptions used are as follows:		
Interest Rates		
Discount rate	9.41%	9.06%
Health Care Cost Inflation Rate	8.45%	8.12%
Net Effective Discount Rate	0.88%	0.87%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

Normal Retirement Age

It has been assumed that in-service members will retire at age 63 for males and 58 for females, which then implicitly allows for expected rates of early and ill-health retirement.

Last Valuation

The last valuation was performed in August 2016.

Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis - Liability at year-end

Assumption	In-service members (Rm)	Continuation members (Rm)	Total liability (Rm)	% change
Liability	10.093	3.502	13.595	
Health care inflation				
+ 1%	12.615	3.805	16.421	21%
- 1%	8.151	3.233	11.384	-16%
Discount rate				
+ 1%	8.181	3.237	11.418	-16%
- 1%	12.617	3.806	16.423	21%
Post-retirement mortality				
- 1 year	10.437	3.657	14.094	4%
Average retirement age				
- 1 year	11.214	3.502	14.716	8%
Continuation of membership at retirement				
- 10%	9.147	3.502	12.649	-7%

17 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis - Future Service and Interest Cost (Next Financial Year)

Assumption	Current Service Cost (Rm)	Interest Cost (Rm)	Total Cost (Rm)	% change
Future Cost	1.541	1.266	2.807	
Health care inflation				
+ 1%	1.925	1.532	3.458	23%
- 1%	1.246	1.058	2.305	-18%
Discount rate				
+ 1%	1.262	1.174	2.437	-13%
- 1%	1.908	1.370	3.278	17%
Post-retirement mortality				
- 1 year	1.593	1.313	2.907	4%
Average retirement age				
- 1 year	1.587	1.372	2.959	5%
Continuation of membership at retirement				
- 10%	1.396	1.177	2.573	-8%

17.2 LONG SERVICE AWARDS

The movement in Long Service Awards are reconciled as follows:

Opening Balance	1 196 040	1 043 732
Contribution during the year	294 682	262 241
Current Service Cost	206 702	186 373
Interest Cost	87 980	75 868
Payments made	(199 212)	(88 337)
Actuarial Loss/(Gain)	108 451	(21 596)
Total balance at year-end	**1 399 961**	**1 196 040**
Less: Current Portion - Note 16	(184 055)	(148 209)
Total	**1 215 906**	**1 047 831**

The following members are eligible for long service bonuses:

	2016	2015
In-service members	229	210

17 EMPLOYEE BENEFITS (CONTINUED)

	2016 R	2015 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	1 399 961	1 196 040
Total Unfunded Liability	**1 399 961**	**1 196 040**

The liability in respect of past service has been estimated to be as follows for years prior to the comparative year:

	2014 R	2013 R	2012 R
In-service members	1 043 732	833 277	951 858
Total Unfunded Liability	**1 043 732**	**833 277**	**951 858**

Experience adjustments were calculated as follows:

	2016 R	2015 R
Liabilities: (Gain)/Loss	146 998	45 216
Assets: Gain/(Loss)	-	-

Experience adjustments were calculated as follows in years prior to the comparative year:

	2014 R	2013 R	2012 R
Liabilities: (Gain)/Loss	87 434	(125 553)	10 204
Assets: Gain/(Loss)	-	-	-

	2016	2015
Key Actuarial Assumptions used are as follows:		
Interest Rates		
Discount rate	8.38%	7.83%
General Salary Inflation (long-term)	7.05%	7.00%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	1.24%	0.78%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

Last Valuation

The last valuation was performed in August 2016.

Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

17 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis - Liability at year-end

Assumption	Total liability (Rm)	% change
Liability	1.400	
General salary inflation		
+ 1%	1.473	5%
- 1%	1.333	-5%
Discount rate		
+ 1%	1.328	-5%
- 1%	1.479	6%
Average retirement age		
- 2 years	1.326	-5%
+ 2 years	1.457	4%
Withdrawal rates		
-50%	1.689	21%

Sensitivity Analysis - Future Service and Interest Cost (Next Financial Year)

Assumption	Current Service Cost R	Interest Cost R	Total Cost R	% change
Future Cost	250 500	109 800	360 300	
General salary inflation				
+ 1%	266 600	115 800	382 400	6%
- 1%	235 700	104 200	339 900	-6%
Discount rate				
+ 1%	237 000	116 200	353 200	-2%
- 1%	265 400	102 500	367 900	2%
Average retirement age				
- 2 years	240 000	103 600	343 600	-5%
+ 2 years	261 600	114 600	376 200	4%
Withdrawal rates				
-50%	329 500	134 000	463 500	29%

17 EMPLOYEE BENEFITS (CONTINUED)

17.3 OTHER PENSION BENEFITS

Defined Benefit Plans	**2016 R**	**2015 R**
Council contributes to the following defined benefit plans:		
Cape Joint Pension Fund	5 027 729	3 947 243
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2015 revealed that the fund is in an sound financial position with a funding level of 101.4% (30 June 2014 - 106.2%).		
Total	**5 027 729**	**3 947 243**

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund and Cape Joint Pension Fund are Multi Employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

Defined Contribution Plans

Council contributes to the following defined contribution plans:		
SALA Pension Fund	789 567	683 452
SAMWU National Provident Fund	75 354	79 358
Total	**864 921**	**762 811**

The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

		2016 R	2015 R
18	**NON-CURRENT PROVISIONS**		
	Rehabilitation Provision - Landfill Sites	**4 636 101**	**4 358 220**

The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

Opening Balance	4 358 220	3 716 119
Contribution during the year	277 881	642 101
Increase/(Decrease) in estimate	(5 403)	447 437
Interest Cost	283 284	194 664
Total	**4 636 101**	**4 358 220**

It is expected that outflows of economic benefits in respect of the provision for rehabilitation of landfill sites will occur beyond the 3-Year Medium Term Revenue and Expenditure Framework period.

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

Site	**Expected Closure Date**		
Barkly East	2034	823 698	718 586
Lady Grey	2059	747 425	692 263
Sterkspruit	2033	975 471	1 500 615
Rhodes	2035	1 217 405	717 878
Rossouw	2016	872 101	728 878
Total		**4 636 101**	**4 358 220**

		2016 R	2015 R
19	**COMMUNITY WEALTH**		
19.1	**RESERVES**		
	Revaluations Reserve	20 238 668	14 738 445
	Total	**20 238 668**	**14 738 445**

The Revaluation Reserve is treated in accordance with the requirements of GRAP 17. See Statement of Changes in Net Assets for detail on the movement in the Revaluations Reserve.

		2016	2015
19	**COMMUNITY WEALTH (CONTINUED)**	**R**	**R**
19.2	**ACCUMULATED SURPLUS**		
	The following internal funds and reserves are ring-fenced within the Accumulated Surplus:		
	Capital Replacement Reserve	129 954 167	104 617 764
	Employee Benefits Reserve	24 018 277	20 219 473
	Valuation Roll Reserve	1 204 645	909 291
	Accumulated Surplus due to the results of operations	330 131 577	289 743 698
	Total	**485 308 667**	**415 490 225**

The Capital Replacement Reserve is created in order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources.

The aim of the Employee Benefits Reserve is to ensure that sufficient cash resources are available for the future payment of employee benefits.

The Valuation Roll Reserve is to ensure that sufficient cash resources are available to undertake a General Valuation as per the Municipal Property Rates Act.

20	**PROPERTY RATES**		
	Total Property Rates	6 274 090	6 043 232
	Less: Rebates	(1 620 042)	(1 436 199)
	Total	**4 654 049**	**4 607 033**
	Property rate levied are based on the following ratable valuations:		
	Residential Property	374 212 500	375 783 000
	Commercial Property	161 323 000	162 033 500
	Public Benefits Organisations	39 475 500	40 715 000
	Public Service Infrastructure	361 000	-
	Agricultural Purposes	1 618 532 550	1 625 534 060
	State - National / Provincial Services	43 294 510	36 346 000
	Municipal Property	209 040 500	203 287 000
	Vacant Property	58 812 500	61 400 500
	Total Valuation	**2 505 052 060**	**2 505 099 060**

20 PROPERTY RATES (CONTINUED)

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2012.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.

	2016	2015
The following rates are applicable to the valuations above:		
Residential	0.5730c/R	0.5406c/R
Commercial	0.6854c/R	0.6466c/R
Agricultural	0.1461c/R	0.1378c/R
State - National / Provincial Services	0.5730c/R	0.5406c/R
Vacant Property	0.8989c/R	0.8480c/R

Rates are levied monthly and payable by the end of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it.

	2016	2015
	R	R
21 TRANSFERS AND SUBSIDIES		
Unconditional Grants - National Government	**135 985 000**	**110 942 000**
Equitable Share	135 985 000	110 942 000
Conditional Grants - National Government	**42 693 699**	**37 583 690**
Municipal Finance Management	1 600 000	1 600 000
Municipal Infrastructure Grant	38 104 699	30 009 229
Municipal Systems Improvement	930 000	934 000
EPWP (Expanded Public Works Program)	2 059 000	1 976 000
Dept Sport (Youth Development - Sport Fields)	-	3 064 460
Conditional Grants - Provincial Government	**2 429 414**	**3 467 894**
Vuna Awards	-	359 596
Alien Vegetation Eradication	1 229 414	1 908 299
Libraries	1 200 000	1 200 000
Total	**181 108 113**	**151 993 584**

		2016 R	2015 R
21	**TRANSFERS AND SUBSIDIES (CONTINUED)**		
	Disclosed as:		
	Transfers and Subsidies - Capital	31 955 780	27 636 029
	Transfers and Subsidies - Operating	149 152 333	124 357 555
	Total	**181 108 113**	**151 993 584**
	Grants per Vote (MFMA Sec 123 (c)):		
	Equitable share	135 985 000	110 942 000
	Executive & Council	500 000	500 000
	Budget & Treasury	2 030 000	2 393 596
	Planning & Development	3 016 269	1 908 299
	Community & Social Services	13 599 414	3 035 244
	Sport & Recreation	2 361 073	12 816 133
	Waste Management	537 544	131 986
	Road Transport	21 610 628	20 150 687
	Electricity	1 468 186	115 640
	Total	**181 108 113**	**151 993 584**
	The movements per grant can be summarised as follows:		
21.01	**Equitable Share**		
	Grants Received	135 985 000	110 942 000
	Transferred to Revenue - Operating	(135 985 000)	(110 942 000)
	Closing Unspent Balance	-	-
	The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
21.02	**Financial Management Grant (FMG)**		
	Opening Unspent Balance	-	-
	Grants Received	1 600 000	1 600 000
	Transferred to Revenue - Operating	(1 600 000)	(1 600 000)
	Closing Unspent Balance	-	-
	The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship Programme.		

		2016 R	2015 R
21	**TRANSFERS AND SUBSIDIES (CONTINUED)**		
21.02	**Municipal Infrastructure Grant (MIG)**		
	Opening Unspent Balance	4 842 699	(986 071)
	Grants Received	33 262 000	35 838 000
	Transferred to Revenue - Capital	(31 955 780)	(24 825 155)
	Transferred to Revenue - Operating	(6 148 920)	(5 184 074)
	Closing Unspent Balance	-	4 842 699
	The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.		
21.03	**Municipal Systems Improvement Grant (MSIG)**		
	Opening Unspent Balance	-	-
	Grants Received	930 000	934 000
	Transferred to Revenue - Operating	(930 000)	(934 000)
	Closing Unspent Balance	-	-
	The MSIG is a conditional grant used to build in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
21.04	**NDPG (Neighbourhood Development Partnership Grant)**		
	Opening Unspent Balance	2 010 056	2 010 056
	Closing Unspent Balance	2 010 056	2 010 056
	The NDPG is utilised to attract private and community investment to unlock the social and economic potential within the Senqu area.		
21.05	**EPWP (Expanded Public Works Program)**		
	Opening Unspent Balance	-	-
	Grants Received	2 059 000	1 976 000
	Transferred to Revenue - Operating	(2 059 000)	(1 976 000)
	Closing Unspent Balance	-	-
	The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.		
21.06	**Dept Sport (Youth Development - Sport Fields)**		

Opening Unspent Balance	-	-
Grants Received	-	3 064 460
Transferred to Revenue - Capital	-	(2 810 874)
Transferred to Revenue - Operating	-	(253 587)
Closing Unspent Balance	-	-

The Department of Sport grant was utilised to provide new and improved sport facilities within the Senqu area.

		2016 R	2015 R
21	**TRANSFERS AND SUBSIDIES (CONTINUED)**		
21.07	**Prov Gov - Housing (Hillside)**		
	Opening Unspent Balance	232 651	232 651
	Closing Unspent Balance	232 651	232 651

The grant was received from Provincial Government to be utilised for housing projects within the Senqu area.

21.08 Herschel People's Housing

Opening Unspent Balance	8 446 905	8 053 512
Current year receipts - Interest	454 678	393 393
Closing Unspent Balance	8 901 583	8 446 905

The grant was received from Provincial Government to be utilised for housing projects within the Senqu area.

21.09 Vuna Awards

Opening Unspent Balance	-	359 596
Transferred to Revenue - Operating	-	(359 596)
Closing Unspent Balance	-	-

The Vuna Awards grant was a monetary prize won by Senqu Municipality in the Vuna awards contest in February 2014. The funds was utilized towards addressing any matters raised in the audit reports which prevented the municipality from obtaining a Clean Audit.

21.10 Alien Vegetation Eradication

Opening Unspent Balance	1 229 414	644 912
Grants Received	-	2 492 800
Transferred to Revenue - Operating	(1 229 414)	(1 908 299)
Closing Unspent Balance	-	1 229 414

The grant was received from the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism to remove alien species and thereafer conduct land rehabilitation within the area.

21.11 Libraries

Opening Unspent Balance	-	-

Grants Received	1 200 000	1 200 000
Transferred to Revenue - Operating	(1 200 000)	(1 200 000)
Closing Unspent Balance	-	-

The Libraries grant was utilised for the upkeeping and operational cost for libraries.

		2016 R	2015 R
21	**TRANSFERS AND SUBSIDIES (CONTINUED)**		
21.12	**Total Transfers and Subsidies**		
	Opening Unspent Balance	16 761 727	10 314 657
	Grants Received	175 036 000	158 047 260
	Current year receipts - Interest	454 678	393 394
	Transferred to Revenue - Capital	(31 955 780)	(27 636 029)
	Transferred to Revenue - Operating	(149 152 333)	(124 357 555)
	Closing Unspent Balance	11 144 292	16 761 727
22	**FINES, PENALTIES AND FORFEITS**		
	Fines: Pound Fees	56 166	147 968
	Fines: Traffic	138 875	421 140
	Forfeits: Retentions	128 893	249 232
	Total	**323 933**	**818 340**
	Balance previously reported		421 140
	Implementation of mSCOA - Note 41.1		397 200
	Total		**818 340**

In terms of the requirements of GRAP 23 and IGRAP1, all fines issued during the year less any cancellations or reductions identified are recognised as revenue.

23	**SERVICE CHARGES**		
	Electricity Revenue	33 177 518	31 118 246
	Refuse Removal Revenue	7 284 726	7 013 180
	Total Revenue	**40 462 244**	**38 131 425**
	Less: Rebates	(9 566 121)	(8 688 700)
	Electricity Revenue	(5 080 925)	(4 209 459)
	Refuse Removal Revenue	(4 485 196)	(4 479 241)
	Total	**30 896 123**	**29 442 726**
	Balance previously reported		29 278 523
	Implementation of mSCOA - Note 41.1		164 202
	Total		**29 442 726**

Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.

		2016 R	2015 R
24	**RENTAL FROM FIXED ASSETS**		
	Investment Property	627 828	424 618
	Buildings	125 553	18 444
	Machinery and Equipment	3 036	202 897
	Total	**756 417**	**645 960**
	Balance previously reported		613 671
	Implementation of mSCOA - Note 41.1		32 289
	Total		**645 960**
25	**INTEREST EARNED - OUTSTANDING DEBTORS**		
	Interest Earned - Service Debtors	1 846 590	1 405 747
	Interest Earned - Penalty Interest on Property Rates	647 336	564 045
	Total	**2 493 926**	**1 969 792**
26	**SALES OF GOODS AND RENDERING OF SERVICES**		
	Advertisements	54 245	21 601
	Building Plan Clause Levy	46 180	29 927
	Camping Fees	-	10 075
	Cemetery and Burial	29 134	22 370
	Entrance Fees	9 843	-
	Library Fees	3 775	2 262
	Photocopies and Faxes	-	8 788
	Sale of Agricultural Products	69 003	2 303
	Tender Documents	212 192	44 474
	Valuation Services	79 742	13 452
	Total	**504 115**	**155 249**
	Balance previously reported		-
	Implementation of mSCOA - Note 41.1		155 249
	Total		**155 249**
27	**OPERATIONAL REVENUE**		
	Administrative Handling Fees	-	423

Collection Charges	-	16 248
Commission	14 658	-
Grazing Fees	28 905	22 136
LG Seta	105 655	-
Merchandising, Jobbing and Contracts	-	18 319
Staff Recoveries	57 522	80 551
Total	**206 740**	**137 677**
Balance previously reported		872 535
Implementation of mSCOA - Note 41.1		(734 858)
Total		**137 677**

		2016 R	2015 R
28	**EMPLOYEE RELATED COSTS**		
	Basic Salary	43 798 850	38 365 106
	Pension and UIF Contributions	6 272 138	4 952 012
	Medical Aid Contributions	2 784 849	2 117 231
	Overtime	1 234	847 183
	Bonuses	3 864 287	2 866 293
	Performance Bonus	2 055 212	1 332 142
	Telephone allowance	398 804	357 400
	Housing Allowances	226 218	20 470
	Other benefits and allowances	215 647	175 531
	Leave Contributions	1 221 987	1 609 614
	Long service awards	206 702	186 373
	Post Retirement Medical Benefits	1 126 941	960 750
	Total	**62 172 869**	**53 790 104**
	Balance previously reported		54 496 367
	Implementation of mSCOA - Note 41.1		316 820
	Prior period adjustment - Note 40.9		(1 023 083)
	Total		**53 790 104**

Remuneration of Key Personnel

Key management personnel are all appointed on 5-year fixed contracts.

Remuneration of the Municipal Manager - MM Yawa

Annual Remuneration	1 480 240	1 422 388
Performance Bonus - 2013/14	-	268 119
Performance Bonus - 2014/15	286 325	-
Travel Allowance	62 100	82 800
Telephone allowance	24 000	24 000
UIF Contributions	1 785	1 785
Total	**1 854 450**	**1 799 092**

Remuneration of the Director Financial Services - Mr CR Venter

Annual Remuneration	1 368 810	1 279 144
Performance Bonus - 2013/14	-	227 902
Performance Bonus - 2014/15	243 377	-
Telephone allowance	12 000	12 000
UIF Contributions	1 785	1 785

Total	**1 625 971**	**1 520 831**
Remuneration of the Director Technical Services - RN Crozier		
Annual Remuneration	1 275 210	1 185 544
Performance Bonus - 2013/14	-	227 902
Performance Bonus - 2014/15	243 377	-
Travel Allowance	93 600	93 600
Telephone allowance	12 000	12 000
UIF Contributions	1 785	1 785
Total	**1 625 971**	**1 520 831**

		2016 R	2015 R
28	**EMPLOYEE RELATED COSTS (CONTINUED)**		
	Remuneration of Director Community and Social Services - CNL Gologolo		
	Annual Remuneration	980 026	912 655
	Performance Bonus - 2013/14	-	171 237
	Performance Bonus - 2014/15	182 864	-
	Travel Allowance	48 000	48 000
	Telephone allowance	12 000	12 000
	UIF Contributions	1 785	1 785
	Total	**1 224 674**	**1 145 677**
	Remuneration of Director Corporate and Support Services - TE Wonga		
	Annual Remuneration	950 425	881 851
	Performance Bonus - 2013/14	-	174 296
	Performance Bonus - 2014/15	146 945	-
	Travel Allowance	96 000	96 000
	Telephone allowance	12 000	12 000
	UIF Contributions	1 785	1 785
	Total	**1 207 155**	**1 165 932**
	Remuneration of Director IPME - P Bushula		
	Annual Remuneration	1 208 879	1 129 676
	Performance Bonus - 2013/14	-	201 309
	Performance Bonus - 2014/15	214 978	-
	Telephone allowance	12 000	12 000
	UIF Contributions	1 785	1 785
	Total	**1 437 641**	**1 344 770**
29	**REMUNERATION OF COUNCILLORS**		
	Mayor	782 480	739 363
	Speaker	630 878	595 664
	Executive Committee Members	2 024 407	1 903 482
	Councillors	6 878 009	6 555 442
	Other Councillors' contributions and allowances	748 044	605 172
	Total	**11 063 818**	**10 399 123**
	In-kind Benefits		

The Mayor, Speaker and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Mayor may utilise official Council transportation when engaged in official duties. The packages are set out below:

Mayor		
Annual Remuneration	758 012	718 495
Telephone allowance	24 468	20 868
Total	**782 480**	**739 363**

		2016 R	2015 R
29	**REMUNERATION OF COUNCILLORS (CONTINUED)**		
	Speaker		
	Annual Remuneration	564 020	532 406
	Telephone allowance	24 468	20 868
	Travel Allowance	42 390	42 390
	Total	**630 878**	**595 664**
	Executive Committee Members (6 members)		
	Annual Remuneration	1 804 016	1 704 692
	Telephone allowance	146 808	125 208
	Travel Allowance	73 582	73 582
	Total	**2 024 407**	**1 903 482**
	Councillors (Section 79 - 5 members)		
	Annual Remuneration	1 466 085	1 352 272
	Telephone allowance	122 340	104 340
	Travel Allowance	-	30 828
	Total	**1 588 425**	**1 487 440**
	Councillors (Other Councillors - 24 members)		
	Annual Remuneration	5 411 924	5 096 130
	Telephone allowance	583 541	500 832
	Travel Allowance	42 163	76 212
	Total	**6 037 628**	**5 673 174**
30	**DEBT IMPAIRMENT**		
	Receivables from exchange transactions - Note 3	3 552 098	3 181 075
	Receivables from non-exchange transactions - Note 4	1 126 711	1 202 687
	Total Contribution to Debt Impairment Provision	**4 678 809**	**4 383 762**
	Movement in VAT included in debt impairment - Note 5	(437 839)	170 434
	Total	**4 240 970**	**4 554 196**

Debt Impairment consists out of the following:

Impairment Loss	5 325 998	4 383 762
Rates	1 213 925	862 887
Traffic Fines	98 050	339 800
Electricity	2 729 955	2 431 860
Refuse	1 224 560	940 262
Housing Rentals	59 509	(191 047)
Bad Debts Written off	(647 189)	-
Rates	(185 264)	-
Electricity	(236 742)	-
Refuse	(225 183)	-
Total	**4 678 809**	**4 383 762**

		2016 R	2015 R
31	**DEPRECIATION AND AMORTISATION**		
	Property, Plant and Equipment	18 212 301	15 502 472
	Intangible Assets	67 761	68 109
	Capitalised Restoration Cost (PPE)	71 865	196 157
	Total	**18 351 928**	**15 766 738**
	Balance previously reported		15 774 071
	Prior period adjustment - Note 40.9		(7 332)
	Total		**15 766 738**
32	**IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT**		
	Land	344 000	2 650 321
	Buildings	574 281	2 074 014
	Sub-Total	**918 281**	**4 724 335**
	Capitalised Restoration Cost (PPE)	101 430	117 632
	Total	**1 019 712**	**4 841 967**
	Balance previously reported		4 184 901
	Implementation of mSCOA - Note 41.1		117 632
	Prior period adjustment - Note 40.9		539 435
	Total		**4 841 967**
33	**FINANCE CHARGES**		
	Annuity Loans	1 116 960	1 146 053
	Rehabilitation Provision - Landfill Sites	283 284	194 664
	Post Retirement Medical Benefits	1 039 397	947 215
	Long Service Awards	87 980	75 868
	Overdue Accounts	-	103 928
	Total	**2 527 622**	**2 467 728**
	Balance previously reported		1 340 717
	Implementation of mSCOA - Note 41.1		9 605

Prior period adjustment - Note 40.9		1 117 406
Total		**2 467 728**

34 BULK PURCHASES

Electricity	23 771 063	20 079 250
Total	**23 771 063**	**20 079 250**

	2016 R	2015 R
35 CONTRACTED SERVICES		
Consultants and Professional Services	8 865 801	9 226 316
Business and Advisory	6 082 625	7 088 194
Infrastructure and Planning	838 640	338 562
Legal Cost	1 939 337	1 799 561
Laboratory Services	5 200	-
Contractors	3 834 847	4 040 030
Artists and Performers	7 000	-
Electrical	213 038	-
Event Promoters	460 630	1 400 812
Fire Services	20 325	10 652
Graphic Designers	-	36 653
Interior Decorator	29 754	-
Maintenance of Buildings and Facilities	981 690	362 414
Maintenance of Equipment	789 147	1 939 777
Maintenance of Unspecified Assets	1 328 302	289 721
Plants, Flowers and Other Decorations	4 961	
Outsourced Services	7 279 335	7 517 657
Burial Services	6 697	1 500
Catering Services	12 050	-
Cleaning Services	9 844	-
Medical Services	23 862	
Personnel and Labour	6 878 202	7 206 010
Security Services	348 680	310 147
Total	**19 979 983**	**20 784 003**
Balance previously reported		-
Implementation of mSCOA - Note 41.1		20 784 003
Total		**20 784 003**

36 TRANSFERS AND SUBSIDIES

Contribution - Joe Gqabi Economic Development Agency	-	334 000
Other Contributions	-	145 587
Total	**-**	**479 587**

		2016 R	2015 R
37	**OPERATING LEASES**		
	Buildings	54 956	151 443
	Furniture and Office Equipment	35 918	73 123
	Investment Properties	37 165	-
	Machinery and Equipment	174 235	-
	Total	**302 274**	**224 565**
	Balance previously reported		-
	Implementation of mSCOA - Note 41.1		224 565
	Total		**224 565**
38	**OPERATIONAL COST**		
	Advertising, Publicity and Marketing	1 234 091	1 305 371
	Assets less than the Capitalisation Threshold	138 497	367 185
	Bank Charges, Facility and Card Fees	299 154	271 476
	Catering Municipal Activities	1 199 959	1 232 888
	Communication	966 260	979 416
	Commission: Prepaid Electricity	206 562	-
	Consumables	1 568 705	968 899
	Courier and Delivery Services	29 855	105 211
	Deeds	27 452	53 424
	Entertainment	47 505	107 037
	External Audit Fees	2 083 004	2 114 502
	External Computer Service	2 045 441	1 313 356
	Fuel and Oil	2 292 935	2 840 336
	Insurance Underwriting	506 485	438 824
	Licences	336 536	324 784
	Maintenance Materials	1 797 461	2 359 056
	Materials and Supplies	12 648	536 896
	Municipal Services	81 312	336 671
	Printing. Publications and Books	960 318	162 598
	Professional Bodies, Membership and Subscription	628 816	636 081
	Registration Fees	1 870 900	1 783 420
	Remuneration to Ward Committees	2 118 000	2 004 666
	Road Worthy Test	23 565	-
	Skills Development Fund Levy	583 521	539 375
	Transport Provided as Part of Departmental Activities	802 604	598 954

Travel Agency Fees	2 568 927	54 636
Travel and Subsistence	3 005 026	5 191 458
Uniform and Protective Clothing	498 325	532 537
Workmen's Compensation Fund	681 101	588 320
Total	**28 614 967**	**27 747 379**
Balance previously reported		35 809 092
Implementation of mSCOA - Note 41.1		(8 495 839)
Prior period adjustment - Note 40.9		434 125
Total		**27 747 379**

		2016 R	2015 R
39	**REPAIRS AND MAINTENANCE**		
	Repairs and Maintenance is removed as a line item from the Statement of Financial Performance with the implementation of mSCOA as it does not reflect the nature of the expense. It is disclosed in various other expenditure line items as stated below:		
	Contracted Services	3 538 491	2 591 913
	Contractors - Electrical	213 038	-
	Contractors - Maintenance of Buildings and Facilities	981 690	362 414
	Contractors - Maintenance of Equipment	789 147	1 939 777
	Contractors - Maintenance of Unspecified Assets	1 328 302	289 721
	Outsourced Services - Personnel and Labour	226 314	-
	Operating Leases	167 395	-
	Machinery and Equipment	167 395	-
	Operational Cost	3 074 218	2 516 756
	Assets less than the Capitalisation Threshold	12 672	103 228
	Consumables	191 298	54 471
	Fuel and Oil	1 052 031	-
	Maintenance Materials	1 797 461	2 359 056
	Road Worthy Test	3 639	-
	Travel and Subsistence	51	-
	Uniform and Protective Clothing	17 065	-
	Total	**6 780 104**	**5 108 668**
	GRAP 17 (effective from 2016/17 financial years) require disclosure of repairs and maintenance per asset class:		
	Buildings and other structures	1 277 751	966 551
	Tools and equipment	293 945	191 836
	Furniture and office equipment	499 238	6 040
	Vehicles and Implements	2 404 772	1 403 951
	Roads and stormwater	1 336 519	871 051
	Electricity Reticulation	278 230	1 667 574
	Street Lights	645 276	1 666
	Solid Waste Sites	44 372	-

	Total	**6 780 104**	**5 108 668**

40 CORRECTION OF ERROR IN TERMS OF GRAP 3

Certain errors were detected which relates to prior years and were restated retrospectively. The effects of these restatements are listed below.

		2015
40	**CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)**	**R**
40.1	**RECEIVABLES FROM EXCHANGE TRANSACTIONS**	
	Balance previously reported	**9 404 029**
	Payments in advance previously not allocated to specifc service - Note 3	(678 460)
	Effect on Service Receivables:	678 460
	Electricity	230 871
	Refuse	344 630
	Housing Rentals	102 959
	Restated Balance on 30 June 2015	**9 404 029**
40.2	**RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**	
	Balance previously reported	**2 196 315**
	Payments in advance previously not allocated to specifc service - Note 4	(232 730)
	Effect on Service Receivables - Rates	232 730
	Restated Balance on 30 June 2015	**2 196 315**
40.3	**TAXES**	
	Balance previously reported	**6 094 235**
	Correction on Retentions capitalised on 30 June 2015 - Note 40.6	(72 949)
	Correction of VAT Payable on 1 July 2014 resulting from VAT audit - Note 40.8	(4 047 643)
	Correction of VAT Payable for 2014/15 resulting from VAT audit - Note 40.9	(143 113)
	Restated Balance on 30 June 2015	**1 830 531**
40.4	**INVENTORY**	
	Balance previously reported	**1 382 197**
	Correction on Inventory balance on 30 June 2015 - Note 40.9	(108 563)
	Restated Balance on 30 June 2015	**1 273 634**

40.5 PROPERTY PLANT AND EQUIPMENT

Balance previously reported	**279 610 731**
First time recognition of Property, Plant and Equipment - 1 July 2014 - Note 40.8	6 630
Effect on Furniture & Fittings	5 266
Effect on Loose Equipment	1 363
Backlog Depreciation on 1 July 2014 for Property, Plant and Equipment previously not recognised - Note 40.8	(4 644)
Effect on Furniture & Fittings	(3 689)
Effect on Loose Equipment	(955)
Depreciation for 2014/2015 for Property, Plant and Equipment previously not recognised - Note 40.9	(663)
Effect on Furniture & Fittings	(527)
Effect on Loose Equipment	(136)

40	**CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)**	**2015 R**
	Property, Plant and Equipment incorrectly capitalised - 1 July 2014 - Note 40.8	(84 142)
	Effect on Computer Equipment	(2 200)
	Effect on Furniture & Fittings	(79 867)
	Effect on Security Items	(295)
	Effect on Loose Equipment	(1 780)
	Effect on Backlog Depreciation for Property, Plant and Equipment incorrectly capitalised - 1 July 2014 - Note 40.8	36 191
	Effect on Computer Equipment	2 094
	Effect on Furniture & Fittings	33 645
	Effect on Security Items	282
	Effect on Loose Equipment	169
	Property, Plant and Equipment incorrectly capitalised - 2014/2015 - Note 40.9	(3 244)
	Effect on Computer Equipment	(1 490)
	Effect on Plant & Equipment	(1 754)
	Effect on Depreciation for 2014/2015 for Property, Plant and Equipment incorrectly capitalised - Note 40.9	10 832
	Effect on Computer Equipment	333
	Effect on Furniture & Fittings	9 673
	Effect on Security Items	6
	Effect on Plant & Equipment	228
	Effect on Loose Equipment	593
	Reclassification of Office Equipment incorrectly disclosed as Lease Assets - 1 July 2014 - Note 9	-
	Effect on Lease Assets - Office Equipment	(91 610)
	Effect on Office Equipment	91 610
	Reclassification of Backlog Depreciation on Office Equipment incorrectly disclosed as Lease Assets - 1 July 2014 - Note 9	-
	Effect on Lease Assets - Office Equipment	(83 913)
	Effect on Office Equipment	83 913
	Reclassification of Depreciation for 2014/2015 on Office Equipment incorrectly disclosed as Lease Assets - Note 9	-
	Effect on Lease Assets - Office Equipment	(3 263)
	Effect on Office Equipment	3 263

Reclassification of Plant and Equipment incorrectly disclosed as Infrastructure - Roads - 2014/2015 - Note 9	-
Effect on Infrastructure - Roads	(475 439)
Effect on Plant & Equipment	475 439
Revaluation of Rhodes Community Hall incorrectly capitalised - Note 39.7	(1 475 618)
Correction of Impairment on Rhodes Community Hall - Note 40.9	(466 508)
Revaluation of Buildings previously not recognised - Note 39.7	(191 073)
Correction of Impairment on Buildings previously not capitalised - Note 40.9	(72 927)
Opening balance correction of Buildings previously not capitalised - Note 40.8	264 000
Correction of Retentions capitalised on 30 June 2015 - Note 40.6	33 416
Sterkspruit Sportfield connection line incorrectly capitalised - 30 June 2015 - Note 40.9	(352 912)
Opening balance of Barkly East Sport Field previously not capitalised - Note 40.8	66 452
Electrical Infrastructure incorrectly capitalised for 2014/2015 - Note 40.9	(30 594)
Restated Balance on 30 June 2015	**277 345 925**

		2015
40	**CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)**	**R**
40.6	**PAYABLES FROM EXCHANGE TRANSACTIONS**	
	Balance previously reported	**7 883 451**
	Correction on Retentions capitalised on 30 June 2015	(39 977)
	Effect on Taxes - Note 40.3	(73 393)
	Effect on Property, Plant and Equipment - Note 40.5	33 416
	Restated Balance on 30 June 2015	**7 843 474**
39.7	**REVALUATION RESERVE**	
	Balance previously reported	**16 402 298**
	Revaluation of Rhodes Community Hall incorrectly capitalised - Note 40.5	(1 475 618)
	Revaluation of Buildings previously not recognised - Note 40.5	(188 234)
	Restated Balance on 30 June 2015	**14 738 445**
40.8	**ACCUMULATED SURPLUS**	
	First time recognition of Property, Plant and Equipment - 1 July 2014 - Note 40.5	6 630
	Backlog Depreciation on 1 July 2014 for Property, Plant and Equipment previously not recognised - Note 40.5	(4 644)
	Property, Plant and Equipment incorrectly capitalised - 1 July 2014 - Note 40.5	(84 142)
	Effect on Backlog Depreciation for Property, Plant and Equipment incorrectly capitalised - 1 July 2014 - Note 40.5	36 191
	Opening balance correction of Buildings previously not capitalised - Note 40.5	264 000
	Opening balance of Barkly East Sport Field previously not capitalised - Note 40.5	66 452
	Correction of VAT Payable on 1 July 2014 resulting from VAT audit - Note 40.3	(4 047 643)
	Total	**(3 763 157)**
40.9	**STATEMENT OF FINANCIAL PERFORMANCE**	
	Balance previously reported	**48 088 845**
	Finance Charges for Post Retirement Medical Benefits and Long Service Awards incorrectly included under Employee related costs	-
	Effect on Employee related costs - Refer to note 28	(1 023 083)
	Effect on Finance Charges - Refer to note 33	1 023 083

Correction of VAT Payable for 2014/15 resulting from VAT audit - Note 40.3	(143 113)
Effect on Agency Services	(48 790)
Effect on Finance Charges	(94 323)
Correction on Inventory balance on 30 June 2015 - Note 40.4	(108 563)
Depreciation for 2014/2015 for Property, Plant and Equipment previously not recognised - Note 40.5	(663)
Property, Plant and Equipment incorrectly capitalised - 2014/2015 - Note 40.5	(3 244)
Effect on Depreciation for 2014/2015 for Property, Plant and Equipment incorrectly capitalised - Note 40.5	10 832
Correction of Impairment on Rhodes Community Hall - Note 40.5	(466 508)
Correction of Impairment on Buildings previously not capitalised - Note 40.5	(72 927)
Sterkspruit Sportfield connection line incorrectly capitalised - 30 June 2015 - Note 40.5	(352 912)
Depreciation on Buildings previously not recognised - Note 40	(2 839)
Electrical Infrastructure incorrectly capitalised for 2014/2015 - Note 40	(30 594)
Restated Balance on 30 June 2015	**46 918 315**

41 IMPLEMENTATION OF MSCOA INTRODUCED BY NATIONAL TREASURY

National Treasury have recently introduced legislation relating to the chart of accounts to be used by municipalities/municipal entities (referred to as the "Municipal Standard Chart of Accounts (mSCOA)"). This regulation was legislated on 22 April 2014 and will only be adopted by all municipalities on 1 July 2017. Senqu Municipality is one of the pilot sites and had to comply with the mSCOA regulations on 1 July 2015.

The following items were reclassified on the face of the Statement of Fianancial Performance to ensure compliance with both mSCOA Regulation and GRAP. These items does not constitute a prior year error in terms of GRAP 3 and will improve the reporting to the users of the financial statements.

41.1 Statement of Financial Performance

	2015 R
The following reclassifications does not have an effect on the Net Surplus for the year:	
Revenue	-
Effect on Fines, Penalties and Forfeits	397 200
Effect on Service Charges	164 202
Effect on Rental from Fixed Assets	32 289
Effect on Licences and Permits	2 166
Effect on Agency Services	(16 248)
Effect on Sales of Goods and Rendering of Services	155 249
Effect on Operational Revenue	(734 858)
Expenditure	-
Effect on Employee related costs	316 820
Effect on Impairment	(117 632)
Effect on Repairs and Maintenance	(4 613 355)
Effect on Finance Charges	9 605
Effect on Contracted services	20 784 003
Effect on Other Operating Grant Expenditure	(8 164 611)
Effect on Operating Leases	224 565

Effect on Operational Cost	(8 495 839)
Effect on Impairment of Property, Plant and Equipment	56 443
Total	-

		2016 R	2015 R
42	**NET CASH FROM OPERATING ACTIVITIES**		
	Net Surplus for the year	69 818 441	46 918 315
	Adjusted for:		
	Non-Cash Items	19 885 154	21 440 093
	Debt Impairment	3 803 130	4 724 630
	Depreciation and Amortisation	18 351 928	15 766 740
	Impairments	1 166 062	5 728 012
	Gain on Fair Value Adjustments of Investment Property	(5 323 145)	(5 716 750)
	Actuarial Gains	-	(544 767)
	Actuarial Losses	186 217	-
	Finance Charges	1 410 661	1 217 747
	Loss on disposal of PPE	290 300	264 481
	Contributions - Provisions and Employee Benefits	9 198 394	4 899 657
	Post Retirement Medical Benefits	1 126 941	960 750
	Long Service Awards	206 702	186 373
	Performance Bonuses	2 522 395	1 332 142
	Bonuses	3 347 493	222 458
	Compensation for injuries on duty	681 101	588 320
	Staff Leave	1 313 762	1 609 614
	Expenditure - Provisions and Employee Benefits	(6 713 184)	(2 561 719)
	Post Retirement Medical Benefits	(251 857)	(233 044)
	Long Service Awards	(199 212)	(88 337)
	Performance Bonuses	(1 785 048)	(1 270 765)
	Bonuses	(3 126 943)	-
	Staff Leave	(1 350 124)	(969 573)
	Other adjustments	(610 585)	27 277
	Bad Debts Written Off	(647 189)	-
	Movement on Operating Lease Asset	37 165	25 780
	Movement on Operating Lease Liability	(561)	1 497
	Operating Surplus before changes in working capital	91 578 220	70 723 623
	Movement in working capital	(14 784 567)	(1 808 447)

Receivables from exchange and non-exchange transactions	(4 078 438)	(6 655 782)
Inventory	(182 423)	745 907
Payables from exchange transactions	479 900	(2 083 988)
Payables from non-exchange transactions	(5 617 435)	6 447 069
Taxes	(5 386 171)	(261 653)
Cash Flow from Operating Activities	**76 793 653**	**68 915 175**

		2016 R	2015 R
43	**CASH AND CASH EQUIVALENTS**		
	Cash and Cash Equivalents comprise out of the following:		
	Primary Bank Account	902 121	2 162 543
	Call and short-term Investments Deposits	220 014 648	181 296 599
	Cash Floats	700	700
	Total	**220 917 468**	**183 459 842**

Refer to note 2 for more details relating to cash and cash equivalents.

44 BUDGET COMPARISONS

44.1 COMPARABLE BASIS

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats

The following items are affected by these classification differences:

Statement of financial position

Consumer Debtors conist out of both Receivables from Exchange Transactions as well as the Rates Receivable.

Other Receivables incorporate all other current receivable balances not specifically provided for in the National Treasury formats.

Trade and Other Payables incorporates Payable from exchange transactions, Payables from non-exchange transactions (Unspent grants) and Operating lease liabilities.

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

Statement of financial performance

The statement of financial performance is comparable on a line by line basis except for the following items:

The budget statements does not provide for all the different revenue classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Revenue in the budget statement. Other revenue per budget statement consist out of the following line items - Public Contributions and Donations, Insurance Receipts, Gain on Fair Value Adjustments of Investment Property, Sales of Goods and Rendering of Services and Operational Revenue.

Depreciation and Amortisation and Impairments are aggregated on the budget statements while it is shown seperately on the Statement of Financial Performance

The budget statements does not provide for all the different expenditure classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Expenditure in the budget statement. Other Expenditure per budget statement consist out of the following line items - Actuarial Losses, Operating Leases and Operational Cost.

44 BUDGET COMPARISONS (CONTINUED)

Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis.

44.2 MATERIAL VARIANCES

Statement of financial position - Budget versus Actual

Cash	Balance of bank at year-end after year-end payments
Call investment deposits	Money not yet transferred from Investment account to Primary bank account
Consumer debtors	Anticipated effect of increased debtors
Other Receivables	Increase in VAT Receivable
Investment property	Fair Value Adjustment on Investment Property
Property, plant and equipment	Under-expenditure of Capital Budget
Capitalised Restoration Cost	Budgeted for as part of Property, Plant and Equipment
Trade and other payables	Effect of Unspent Grants
Provisions and Employee Benefits	Increase in Employee Benefits resulting from new appointments
Accumulated Surplus	Appropriation to Reserves
Reserves	Increase in Revaluation Reserve due to Revaluation on Land and Buildings

Statement of financial position - Budget Adjustments

Call investment deposits	Increased to a more realistic amount comparing to the 2014/15 financial statements
Consumer debtors	Increased to a more realistic amount comparing to the 2014/15 financial statements
Other Receivables	Decreased to a more realistic amount comparing to the 2014/15 financial statements
Inventory	Decreased to a more realistic amount comparing to the 2014/15 financial statements

Investment property	Increased to a more realistic amount comparing to the 2014/15 financial statements
Property, plant and equipment	Increase in Capital Budget due to Unspent MIG Grant
Intangible Assets	Increased to a more realistic amount comparing to the 2014/15 financial statements
Provisions and Employee Benefits	Increased to a more realistic amount comparing to the 2014/15 financial statements
Accumulated Surplus	Increase due to appropriation to reserves
Reserves	Increase due to appropriation to reserves

44 BUDGET COMPARISONS (CONTINUED)

Statement of financial performance - Budget versus Actual

Property rates	Anticipated valuation roll increases
Rental of facilities and equipment	New Operating lease contracts signed
Interest earned - external investments	Improved budgetary control and investment of excess fund
Interest earned - outstanding debtors	Increase in Consumer Debtors
Fines	Reclassifications with implementation of mSCOA
Licences and permits	Reclassifications with implementation of mSCOA
Agency services	Reclassifications with implementation of mSCOA
Transfers and Subsidies - Operating	Increased PMU activities due to increased number of projects
Other revenue	Gains on Fair Value Adjustments of Investment Property and reclassifications with implementation of mSCOA
Employee related costs	Late appointments for vacant posts
Finance charges	Reclassifications with implementation of mSCOA
Bulk purchases	Increase efficiency of electricity reticulation and metering
Contracted services	Reclassifications with implementation of mSCOA
Other expenditure	Reclassifications with implementation of mSCOA
Loss on disposal of PPE	Did not predict loss on disposals of assets
Transfers and Subsidies - Capital	Unspent MIG funding comitted to projects already initiated

Statement of financial performance - Budget Adjustments

Service charges	Increased to a more realistic amount based on the actuals for the first half of the financial year
Interest earned - external investments	Increased to a more realistic amount based on the actuals for the first half of the financial year
Licences and permits	Decreased to a more realistic amount based on the actuals for the first half of the financial year

Government Grants and Subsidies - Operating	Additional Grant received
Employee related costs	Decreased to a more realistic amount based on the actuals due to late appointment
Other expenditure	Increased to a more realistic amount based on the actuals for the first half of the financial year

Cash Flow Statement - Budget versus Actual

Property rates, penalties & collection charges	Anticipated valuation roll increases
Service charges	Improved debt contol above estimates
Government - capital	Unspent MIG funding comitted to projects already initiated
Interest	Improved budgetary control and investment of excess fund
Suppliers and Employees	Late appointments for vacant posts, Increase efficiency of electricity reticulation and metering
Finance charges	Reclassifications with implementation of mSCOA
Proceeds on disposal of PPE	Sale of assets not budgeted for
Capital assets	Under-expenditure of Capital Budget
Increase in consumer deposits	Increase in Consumers
Cash and Cash Equivalents at the end of the year	Result of Increased revenue, improved control and part under-expenditure

Cash Flow Statement - Budget Adjustments

Property rates, penalties & collection charges	Decreased to a more realistic amount based on the actuals for the first half of the financial year
Government - operating	Additional Grant received
Government - capital	Unspent MIG funding comitted to projects already initiated
Interest	Increased to a more realistic amount based on the actuals for the first half of the financial year
Suppliers and Employees	Vacant posts to be filled
Capital assets	Unspent MIG funding comitted to projects already initiated
Increase in consumer deposits	Increased to a more realistic amount based on the actuals for the first half of the financial year
Cash and Cash Equivalents at the beginning of the year	Increased to a more realistic amount based on the actuals for the first half of the financial year
Cash and Cash Equivalents at the end of the year	Increased to a more realistic amount based on the actuals for the first half of the financial year

45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

45.1 UNAUTHORISED EXPENDITURE

No over-expenditure on votes for the two reporting periods in the financial statements.

45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

	2016 (Actual) R	2016 (Final Budget) R	2016 (Unauthorised) R
Unauthorised expenditure - Operating			
Executive & Council	23 517 673	28 715 591	-
Planning & Development	14 536 845	18 908 407	-
Corporate Services	22 356 797	25 192 946	-
Public Safety	7 405 328	7 774 260	-
Budget & Treasury	22 863 456	26 566 522	-
Road Transport	21 378 024	23 751 971	-
Waste Water Management	2 272 426	2 709 373	
Electricity	36 396 930	41 134 427	-
Community & Social Services	6 444 086	7 848 312	-
Sport & Recreation	1 036 361	1 047 673	-
Waste Management	14 460 145	17 830 275	-
Total	**172 668 071**	**201 479 757**	**-**
Unauthorised expenditure - Capital			
Executive & Council	212 931	500 000	-
Planning & Development	86 377	2 141 100	-
Corporate Services	1 022 145	2 850 000	-
Housing	-	50 000	-
Budget & Treasury	519 426	1 435 000	-
Road Transport	18 472 675	24 168 640	-
Electricity	3 216 423	4 616 579	-
Community & Social Services	12 195 425	20 695 409	-
Public Safety	19 982	400 000	-
Sport & Recreation	1 695 776	7 364 550	-
Waste Management	1 443 515	1 998 710	-
Total	**38 884 674**	**66 219 988**	**-**

45.2 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure consist out of the following:

Opening balance	998 341	978 907
Fruitless and wasteful expenditure incurred	2 375	29 039
Approved by Council	-	(9 605)
Fruitless and wasteful expenditure awaiting approval	**1 000 716**	**998 341**

Details of Fruitless and wasteful expenditure incurred :

Interest paid to Eskom	-	29 039
Interest paid to Telkom	2 375	-
Total	**2 375**	**29 039**

No disciplinary steps or criminal proceedings were instituted as a result of fruitless and wasteful expenditure incurred.

		2016 R	2015 R
45	**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)**		

45.3 IRREGULAR EXPENDITURE

Irregular expenditure consist out of the following:

Opening balance	667 329	20 900
Irregular expenditure incurred	802 630	667 329
Approved by Council	-	(20 900)
Irregular expenditure awaiting approval	**1 469 959**	**667 329**

Details of Irregular expenditure incurred :

Payments made as deviation from Supply Chain Processes	-	529 195
Deviations from Supply Chain Regulations - Sect 44 - Awards to persons in service of state.	310 238	138 134
Deviations from Supply Chain Regulations and Service Level Agreement - Disiplinary processes have been initiated.	269 659	-
Deviations from Supply Chain Regulations and Policies - Disiplinary processes have been initiated	222 733	-
Total	**802 630**	**667 329**

The classification, validation and recoverability of all irregular expenditure will be determined by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

45.4 MATERIAL LOSSES

Electricity distribution losses		
- Units purchased (Kwh)	26 290 650	26 011 493
- Units sold (Kwh)	21 883 894	22 382 572
- Units lost during distribution (Kwh)	4 406 756	3 628 921
- Units cost (Kwh)	0.8803	0.7721
- Percentage lost during distribution	16.76%	13.95%
- Units lost considered material losses above a 10% norm	1 777 691	1 027 771
- Cost of units lost considered as material losses	1 564 831	793 516

		2016 R	2015 R
46	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
46.1	**Salga Contributions [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Expenditure incurred	604 390	607 514
	Payments	(604 390)	(607 514)
	Outstanding Balance	**-**	**-**

		2016 R	2015 R
46	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)**		
46.2	**Audit Fees [MFMA 125 (1)(c)]**		
	Opening balance	-	-
	Expenditure incurred	2 076 432	2 114 502
	External Audit - Auditor-General	2 076 432	2 114 502
	Payments	(2 076 432)	(2 114 502)
	Outstanding Balance	-	**-**
46.3	**VAT [MFMA 125 (1)(c)]**		
	Opening balance	6 433 144	5 082 019
	Amounts received - previous year	(459 307)	(2 428 281)
	Amounts received - current year	(5 328 923)	(4 757 692)
	Amounts claimed - current year (payable)	7 055 637	8 537 099
	Vat Receivable	**7 700 551**	**6 433 144**
	Vat in suspense due to cash basis of accounting	**(2 431 794)**	**(1 848 571)**

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.

46.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]

Payments due to SARS	11 169 744	9 742 169
Payments	(11 169 744)	(9 742 169)
Outstanding Balance	-	-

46.5 PENSION AND MEDICAL AID CONTRIBUTIONS [MFMA 125 (1)(c)]

Payments due to pension fund and medical aid	8 739 956	6 689 211
Payments	(8 739 956)	(6 689 211)
Outstanding Balance	-	-

46.6 COUNCILLORS ARREAR ACCOUNTS [MFMA 124 (1)(b)]

No Councillor had any arrear account outstanding for more than 90 days during the year or at year end (Same applies to previous financial year).

		2016 R	2015 R
46	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)**		

46.7 QUOTATIONS AWARDED - DEVIATIONS FROM SCM

During the year under review the municipality procured goods and services in accordance with the requirements of the supply chain management policy and all deviations from the policy and its related regulations were noted, approved by the Municipal Manager.

46.8 OTHER NON-COMPLIANCE [MFMA 125(2)(e)]

No non-compliance in terms of Regulation 9(1) of the Preferential Procurement Regulations were identified. This Regulation relates to the awarding of bids with reference to local production and content.

46.9 TRADING WITH EMPLOYEES IN SERVICE OF THE STATE

During the year under review, the municipalty engaged with the following entities where spouses of suppliers are in service of the state (SCM 45)

Staff Member	Entity		
TG Koena	Masekeleng Trading (Father is Owner)	-	26 400
M A Theron	Lady Grey Joinery and Construction (Spouse is Director)	2 603 339	216 138

M A Theron	Copper Leaf Trading CC (Spouse is Director)	171 646	-
D Oertel	First Wave (Son-in law is Director)	449 605	1 290 692
N Methola	Azondwa General Trading (Mother is Owner)	5 000	-
P Mpambane	Pride Serve Trading Enterprise (Spouse is Owner)	3 780	-
Total		**3 233 370**	**1 533 230**

		2016 R	2015 R
47	**CAPITAL COMMITMENTS**		
	Commitments in respect of capital expenditure:		
	Approved and contracted for:	6 736 887	30 443 616
	Land & Buildings	28 259	974 308
	Infrastructure	2 896 305	17 648 473
	Community	3 812 323	11 820 835
	Total	**6 736 887**	**30 443 616**
	This expenditure will be financed from:		
	Capital Replacement Reserve	477 156	10 601 823
	Government Grants - MIG	6 259 730	19 841 793
	Total	**6 736 887**	**30 443 616**

48 FINANCIAL RISK MANAGEMENT

The municipality is potentially exposed to the following risks:

48.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The following financial assets are exposed to credit risk:

Cash and Cash Equivalents	220 917 469	183 459 842
Receivables from exchange transactions	10 447 090	9 404 029
Total	**231 364 559**	**192 863 871**

Cash and Cash Equivalents

Deposits of the municipality is only held at reputable banks that are listed on the JSE. The credit quality is regurlary monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

		2016	2015
48	**FINANCIAL RISK MANAGEMENT (CONTINUED)**	**R**	**R**

Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be passed due.

Refer to note 3 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be passed due.

Also refer to note 3 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

The following service receivables are passed due, but not impaired:

	2016 R	2015 R
Electricity	1 866 778	1 606 572
Refuse	266 202	161 915
Other Services	180 004	19 183
Total	**2 312 984**	**1 768 486**

48.2 Currency risk (Market Risk)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign

The financial instruments of the municipality is not directly exposed to any currency risk.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)	2016 R	2015 R

48.3 Interest rate risk (Market Risk)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (Excluding Cash on Hand)	220 916 768	183 459 142
Borrowings (Including Current Portion)	(12 842 661)	(13 645 050)
Net balance exposed	**208 074 107**	**169 814 092**

Although the non-current provision is not defined as a financial instrument, the potential effect of changes in interest rates used to discount this balance over time, is included for the benefit of the user of the financial statements.

Potential effect of changes in interest rates on surplus and deficit for the year:

1% (2015 - 1%) increase in interest rates	2 080 741	1 698 141
0% (2015 - 0%) decrease in interest rates	-	-

South Africa is currently in an upward interest rate cycle and management does not foresee a decrease in the next 12 months.

48.4 Liquidity risk

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

The following balances are exposed to liquidity risk:

30 JUNE 2016	PAYABLE		
	Within 1 Year	Two to five years	After five years
Annuity Loans	1 861 350	6 588 267	11 782 431
Rehabilitation Provision	872 101	-	20 642 208
Payables from exchange transactions	2 778 599	-	-
Total	**5 512 050**	**6 588 267**	**32 424 639**

30 JUNE 2015	PAYABLE		
	Within 1 Year	Two to five years	After five years
Annuity Loans	1 868 301	6 790 715	13 353 580
Rehabilitation Provision	-	767 144	8 367 595
Payables from exchange transactions	2 330 284	-	-
Total	**4 198 586**	**7 557 859**	**21 721 175**

Although the rehabilitation provision is not defined as a financial instrument (due to the absence of a contracted counterparty for the balance), the potential outflow of cash resulting from these balances are included for the benefit of the user of the financial statements.

48.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The municipality is not exposed to any other price risk.

		2016 R	2015 R
49	**FINANCIAL INSTRUMENTS**		
	The municipality recognised the following financial instruments (All balances are recognised at amortised cost.)		
	Financial Assets		
	Cash and Cash Equivalents	220 917 469	183 459 842
	Receivables from exchange transactions	9 504 315	8 492 839
	Total	**230 421 784**	**191 952 681**
	Financial Liabilities		
	Current Portion of Borrowings	814 516	802 795
	Payables from exchange transactions	7 380 599	6 932 284
	Borrowings	12 028 145	12 842 254
	Total	**20 223 260**	**20 577 334**

		2016 R	2015 R
50	**STATUTORY RECEIVABLES**		
	In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
	Receivables from Non-Exchange Transactions		
	Rates	8 353 021	7 489 363
	Fines	437 850	339 800
	Total	**8 790 871**	**7 829 163**

Refer to note 4 for more detail relating to the fines and rates receivables, including any provision for impairment raised against the gross amounts disclosed above

51 EVENTS AFTER REPORTING DATE

The 2016 South African municipal elections were held on 3 August 2016 for all district- and local municipalities in all 9 provinces. During this important event a new Council were elected who will guide the work of local government for the next five years.

During August 2016 a former Councillor of Senqu municipality has put in a claim against the municipality for mortification.

52 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review. Monetary donations of R6 140 for Mayoral Cup, as well as capital donations relating to electrical infrastructure to the value of R76 786, were received during the year under review .

53 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The municipality did not enter into eny PPP's in the current and prior year.

		2016	2015
54	**CONTINGENT LIABILITIES**	**R**	**R**

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

54.1 Landfill Sites

The municipality does not have a permit or license for all of the landfill sites currently in use and could be liable for a penalty in terms of section 24G of the Environmental Conservation Act. - -

54.2 Hawks matter

Currently a Pending Investigation from the HAWKS is on-going, a case has been opened and employees has been charged.

54.3 Ex-gracia payment

Upon termination of MM and 3 other Section 57 Managers contracts, an ex-gracia amount of 1.25 x the employees' gross annual salary will be paid to these employees. 7 356 623 7 255 468

54.4 Land Invasion

The municipality is currently engaged in litigation in respect of various land invasion cases in the Senqu Municipal Area.

54.5 Moeletsi, Ngogodo & April defamation claims

The Councillors have each instituted separate legal proceedings against the Municipality, together with the Mayor, for defamation in respect of an article that appeared in the Eagle Eye Newspaper in August 2013.	300 000	300 000

54.6 Languza matter

Pending matter for the unfair dismissal of N. Languza. A debtor of R346 680 has been created as security on the matter.	-	-

54.7 Travel and Subsistance claim

Councillor Tindleni has put in a claim against the municipality for Travel and Susistance money not yet paid out.	60 000.00	-

54.8 MTN Dispute

Invoices from MTN for services rendered are under dispute. The extent of the liability cannot be measured at this stage.	-	-

54.9 Councillors Pension Fund

There is a disputed claim by the Municipal Councillors Pension Fund for the pension fund contributions of councillors who resigned from the fund during or about 2011. The extent of the liability cannot be quantified at this stage.	-	-

55 RELATED PARTIES

Related parties are defined in note 1.35

There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.

Remuneration of related parties are disclosed in notes 28 and 29

All rates, service charges and other charges in respect of related parties are in accordance with approved tariffs that were advertised to the public. No impairment charge have been recognised in respect of amounts owed by related parties.

Year ended 30 JUNE 2016	**Rates - Levied 1 Jul 15 - 30 Jun 16**	**Service Charges - Levied 1 Jul 15 - 30 Jun 16**
Councillors	**5 935**	**79 928**
N Mtyali	-	25 839
J Konstable	1 966	3 076
M Mjali	-	3 076
R M Joubert	1 772	9 132
Mpelwane	-	3 076
M Mfisa	-	14 200
M Mafilika	-	3 076
M Eliya	-	3 076
N C Motemekwana	-	3 076

S Thindleni	-	3 076
NR Nthako	-	3 076
HI van Der Walt	-	3 076
MA Mshasha	2 198	3 076
Municipal Manager and Section 57 Employees	**6 820**	**31 079**
MM Yawa	-	7 463
R Crozier	4 770	18 534
CNL Gologolo	2 050	5 082

56 NATIONAL TREASURY APPROPRIATION STATEMENT

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
Financial Performance						
Property rates	6 856 119	-	6 856 119	4 654 049	(2 202 071)	4 607 033
Service charges	29 381 115	1 357 000	30 738 115	30 896 123	158 008	29 442 726
Investment revenue	8 501 796	1 850 000	10 351 796	16 407 296	6 055 500	12 481 508
Transfers recognised - operational	143 637 100	1 229 414	144 866 514	149 152 333	4 285 820	124 357 555
Other own revenue	7 351 927	(531 000)	6 820 927	9 420 931	2 600 005	10 678 633
Total Operating Revenue	**195 728 057**	**3 905 414**	**199 633 470**	**210 530 733**	**10 897 262**	**181 567 454**
Employee costs	72 098 603	(3 383 226)	68 715 378	62 172 869	(6 542 509)	53 790 104
Remuneration of councillors	11 728 752	-	11 728 752	11 063 818	(664 934)	10 399 123
Debt impairment	4 610 000	-	4 610 000	4 240 970	(369 030)	4 554 196
Depreciation & asset impairment	19 131 859	255 000	19 386 859	19 517 990	131 130	15 766 740
Finance charges	1 221 014	48 000	1 269 014	2 527 622	1 258 608	2 467 728
Materials and bulk purchases	31 200 000	-	31 200 000	23 771 063	(7 428 937)	20 079 250
Contracted services	-	-	-	19 979 983	19 979 983	20 784 003
Transfers and grants	-	-	-	-	-	479 587
Other expenditure	57 532 046	7 037 709	64 569 755	29 103 458	(35 466 297)	33 699 956
Loss on disposal of PPE	-	-	-	290 300	290 300	264 481
Total Expenditure	**197 522 274**	**3 957 483**	**201 479 757**	**172 668 071**	**(29 101 986)**	**162 285 169**
Surplus/(Deficit)	**(1 794 217)**	**(52 069)**	**(1 846 287)**	**37 862 661**	**39 999 248**	**19 282 286**
Transfers recognised - capital	35 398 900	4 842 699	40 241 599	31 955 780	(8 285 819)	27 636 029
Surplus/(Deficit) for the year	**33 604 683**	**4 790 630**	**38 395 312**	**69 818 441**	**31 713 429**	**46 918 315**

56 NATIONAL TREASURY APPROPRIATION STATEMENT (CONTINUED)

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
Capital expenditure & funds sources						
Capital expenditure	62 889 900	3 330 088	66 219 988	38 884 674	(27 335 314)	48 089 495
Transfers recognised - capital	35 398 900	4 842 699	40 241 599	31 955 780	(8 285 819)	27 636 029
Internally generated funds	27 491 000	(1 512 611)	25 978 389	6 928 895	(19 049 494)	20 453 466
Total sources of capital funds	62 889 900	3 330 088	66 219 988	38 884 674	(27 335 314)	48 089 495
Cash flows						
Net cash from (used) operating	57 824 342	(22 937 086)	34 887 256	76 793 653	41 906 397	68 915 175
Net cash from (used) investing	(62 889 900)	(3 330 088)	(66 219 988)	(38 636 364)	27 583 624	(47 773 421)
Net cash from (used) financing	(758 353)	35 126	(723 228)	(699 660)	23 567	(671 867)
Net Cash Movement for the year	(5 823 912)	(26 232 048)	(32 055 960)	37 457 629	69 513 589	20 469 887
Cash/cash equivalents at beginning of year	128 102 683	55 357 159	183 459 842	183 459 842	(0)	162 989 955
Cash/cash equivalents at the year end	**122 278 771**	**29 125 111**	**151 403 882**	**220 917 471**	**69 513 589**	**183 459 842**

Refer to Appendix F for more detail relating to the National Treasury Appropriation Statements

SENQU LOCAL MUNICIPALITY

APPENDIX A (AUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2016

INSTITUTION	LOAN NUMBER	RATE	REDEMPTION DATE	OPENING BALANCE 1 JULY 2015 R	REDEEMED DURING YEAR R	CLOSING BALANCE 30 JUNE 2016 R
ANNUITY LOANS						
DBSA loan	103126/1	Floating	2029	9 161 972	631 860	8 530 112
DBSA loan	103126/2	Fixed	2030	4 483 077	170 528	4 312 549
Total Annuity Loans				**9 161 972**	**631 860**	**8 530 112**
Total Borrowings				**9 161 972**	**631 860**	**8 530 112**

SENQU LOCAL MUNICIPALITY

APPENDIX B (AUDITED)

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS AS AT 30 JUNE 2016

	Cost/Revaluation					Accumulated Depreciation				
	Opening Balance R	Additions (Includes WIP) R	Total Revaluation R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals/ Revaluation R	Closing Balance R	Carrying Value R
Executive & Council	4 381 847	212 931	-	(9 499)	4 585 278	1 274 639	732 550	(7 053)	2 000 136	2 585 143
Planning & Development	2 493 573	86 377	-	(9 208)	2 570 742	745 580	383 780	(1 675)	1 127 685	1 443 058
Corporate Services	93 252 224	1 022 145	9 719 669	(9 672)	103 984 366	945 451	957 116	(8 141)	1 894 427	102 089 939
Budget & Treasury	7 888 909	519 426	-	(1 085 390)	7 322 945	3 796 068	1 016 087	(967 267)	3 844 888	3 478 057
Road Transport	205 870 223	18 472 675	-	(276 206)	224 066 692	66 296 266	12 225 091	(246 106)	78 275 250	145 791 442
Electricity	17 571 082	3 216 423	-	(689 823)	20 097 681	3 885 019	920 688	(317 247)	4 488 460	15 609 221
Community & Social Services	15 758 743	12 195 425	39 068	(4 036)	27 989 200	718 585	1 021 927	(3 301)	1 737 210	26 251 990
Public Safety	1 220 350	19 982	-	-	1 240 332	130 596	122 961	-	253 556	986 776
Sport & Recreation	16 772 579	1 695 776	-	-	18 468 355	292 736	-	-	292 736	18 175 619
Waste Management	10 379 955	1 443 515	-	(46 056)	11 777 414	2 931 760	899 864	(40 488)	3 791 135	7 986 279
Total	**375 589 485**	**38 884 674**	**9 758 736**	**(2 129 889)**	**422 103 007**	**81 016 699**	**18 280 062**	**(1 591 278)**	**97 705 483**	**324 397 523**

SENQU LOCAL MUNICIPALITY

APPENDIX C (AUDITED)

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE (MUNICIPAL VOTES) FOR THE YEAR ENDING 30 JUNE 2016

	30 JUNE 2016			30 JUNE 2015		
VOTE	**REVENUE R**	**EXPENDITURE R**	**SURPLUS/ (DEFICIT) R**	**REVENUE R**	**EXPENDITURE R**	**SURPLUS/ (DEFICIT) R**
Executive & Council	7 212 000	23 517 673	(16 305 673)	7 413 870	26 042 744	(18 628 873)
Planning & Development	3 062 447	14 536 845	(11 474 398)	1 929 033	17 073 709	(15 144 677)
Corporate Services	5 555 853	22 356 797	(16 800 944)	6 009 724	17 599 159	(11 589 435)
Housing	-	-	-	29 927	1 402 113	(1 372 187)
Public Safety	782 607	7 405 328	(6 622 721)	167 543	56 226	111 317
Budget & Treasury	99 138 763	22 863 456	76 275 307	109 473 005	18 675 326	90 797 679
Road Transport	24 030 306	21 378 024	2 652 281	22 577 061	28 517 126	(5 940 066)
Waste Water Management	-	2 272 426	(2 272 426)	-	-	-
Electricity	56 893 894	36 396 930	20 496 964	37 402 695	31 100 142	6 302 553
Community & Social Services	13 782 998	6 444 086	7 338 911	3 560 340	7 649 380	(4 089 040)
Sport & Recreation	2 362 381	1 036 361	1 326 020	12 816 133	698 374	12 117 759
Waste Management	29 665 265	14 460 145	15 205 120	7 824 154	13 470 870	(5 646 716)
Total	**242 486 512**	**172 668 071**	**69 818 441**	**209 203 485**	**162 285 170**	**46 918 315**

SENQU LOCAL MUNICIPALITY

APPENDIX D (AUDITED)

ACTUAL VERSUS BUDGET- CAPITAL AND OPERATING EXPENDITURE (MUNICIPAL VOTES) FOR THE YEAR ENDING 30 JUNE 2016

	ACTUAL R	BUDGET R	VARIANCE R
OPERATING EXPENDITURE			
Executive & Council	23 517 673	28 715 591	(5 197 918)
Planning & Development	14 536 845	18 908 407	(4 371 563)
Corporate Services	22 356 797	25 192 946	(2 836 148)
Public Safety	7 405 328	7 774 260	(368 932)
Budget & Treasury	22 863 456	26 566 522	(3 703 067)
Road Transport	21 378 024	23 751 971	(2 373 947)
Waste Water Management	2 272 426	2 709 373	(436 946)
Electricity	36 396 930	41 134 427	(4 737 497)
Community & Social Services	6 444 086	7 848 312	(1 404 225)
Sport & Recreation	1 036 361	1 047 673	(11 311)
Waste Management	14 460 145	17 830 275	(3 370 130)
Total	**172 668 071**	**201 479 757**	**(28 811 686)**
CAPITAL EXPENDITURE			
Executive & Council	212 931	500 000	(287 069)
Planning & Development	86 377	2 141 100	(2 054 723)
Corporate Services	1 022 145	2 850 000	(1 827 855)
Housing	-	50 000	(50 000)
Budget & Treasury	519 426	1 435 000	(915 574)
Road Transport	18 472 675	24 168 640	(5 695 965)
Electricity	3 216 423	4 616 579	(1 400 156)
Community & Social Services	12 195 425	20 695 409	(8 499 984)
Public Safety	19 982	400 000	(380 018)
Sport & Recreation	1 695 776	7 364 550	(5 668 774)
Waste Management	1 443 515	1 998 710	(555 195)
Total	**38 884 674**	**66 219 988**	**(27 335 314)**

SENQU LOCAL MUNICIPALITY

APPENDIX E (AUDITED)

DISCLOSURE OF TRANSFERS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2016

	OPENING BALANCE	GRANTS RECEIVED	INTEREST ON INVESTMENTS	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	CLOSING BALANCE
	R	R	R	R	R	R
NATIONAL GOVERNMENT						
Equitable Share	-	135 985 000	-	135 985 000	-	-
Municipal Finance Management	-	1 600 000	-	1 600 000	-	-
Municipal Infrastructure Grant	4 842 699	33 262 000	-	6 148 920	31 955 780	-
Municipal Systems Improvement	-	930 000	-	930 000	-	-
NDPG (Neighbourhood Development Partnership Grant)	2 010 056	-	-	-	-	2 010 056
EPWP (Expanded Public Works Program)	-	2 059 000	-	2 059 000	-	-
Total	**6 852 755**	**173 836 000**	**-**	**146 722 920**	**31 955 780**	**2 010 056**
PROVINCIAL GOVERNMENT						
Prov Gov - Housing (Hillside)	232 652	-	-	-	-	232 652
Herschel People's Housing	8 446 905	-	454 678	-	-	8 901 583
Alien Vegetation Eradication	1 229 414	-	-	1 229 414	-	-
Libraries	-	1 200 000	-	1 200 000	-	-
Total	**9 908 972**	**1 200 000**	**454 678**	**2 429 414**	**-**	**9 134 236**
ALL SPHERES GOVERNMENT	**16 761 727**	**175 036 000**	**454 678**	**149 152 333**	**31 955 780**	**11 144 292**

SENQU LOCAL MUNICIPALITY

APPENDIX F (1) (AUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
REVENUE						
Governance and administration	**104 568 827**	**1 832 000**	**106 400 827**	**111 906 616**	**5 505 789**	**122 896 599**
Executive and council	7 212 000	-	7 212 000	7 212 000	-	7 413 870
Budget and treasury office	95 506 597	1 832 000	97 338 597	99 138 763	1 800 166	109 473 005
Corporate services	1 850 230	-	1 850 230	5 555 853	3 705 623	6 009 724
Community and public safety	**21 005 998**	**30 000**	**21 035 998**	**16 927 985**	**(4 108 013)**	**16 573 943**
Community and social services	12 579 080	-	12 579 080	13 782 998	1 203 917	3 560 340
Sport and recreation	5 338 050	-	5 338 050	2 362 381	(2 975 669)	12 816 133
Public safety	3 088 868	30 000	3 118 868	782 607	(2 336 261)	167 543
Housing	-	-	-	-	-	29 927
Economic and environmental services	**17 919 398**	**5 479 113**	**23 398 511**	**27 092 752**	**3 694 241**	**24 506 093**
Planning and development	1 879 954	1 236 414	3 116 368	3 062 447	(53 921)	1 929 033
Road transport	16 039 444	4 242 699	20 282 143	24 030 306	3 748 163	22 577 061
Trading services	**87 632 733**	**1 407 000**	**89 039 733**	**86 559 159**	**(2 480 574)**	**45 226 849**
Electricity	53 545 952	815 000	54 360 952	56 893 894	2 532 941	37 402 695
Waste management	34 086 781	592 000	34 678 781	29 665 265	(5 013 515)	7 824 154
Total Revenue - Standard	**231 126 957**	**8 748 113**	**239 875 069**	**242 486 512**	**2 611 443**	**209 203 485**

SENQU LOCAL MUNICIPALITY

APPENDIX F (1) (AUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
EXPENDITURE						
Governance and administration	**77 117 798**	**3 357 260**	**80 475 059**	**68 737 926**	**(11 737 133)**	**62 317 229**
Executive and council	28 092 421	623 170	28 715 591	23 517 673	(5 197 918)	26 042 744
Budget and treasury office	25 791 524	774 998	26 566 522	22 863 456	(3 703 067)	18 675 326
Corporate services	23 233 852	1 959 093	25 192 946	22 356 797	(2 836 148)	17 599 159
Community and public safety	**15 489 128**	**3 579 963**	**19 069 091**	**14 885 775**	**(4 183 316)**	**9 806 094**
Community and social services	7 580 311	268 001	7 848 312	6 444 086	(1 404 225)	7 649 380
Sport and recreation	1 075 777	(28 104)	1 047 673	1 036 361	(11 311)	698 374
Public safety	6 833 041	3 340 066	10 173 107	7 405 328	(2 767 779)	56 226
Housing	-	-	-	-	-	1 402 113
Economic and environmental services	**42 268 232**	**392 147**	**42 660 379**	**35 914 869**	**(6 745 510)**	**45 590 836**
Planning and development	18 299 457	608 950	18 908 407	14 536 845	(4 371 563)	17 073 709
Road transport	23 968 775	(216 803)	23 751 971	21 378 024	(2 373 947)	28 517 126
Trading services	**62 647 116**	**(3 371 887)**	**59 275 228**	**53 129 501**	**(6 145 727)**	**44 571 012**
Electricity	38 300 608	434 972	38 735 580	36 396 930	(2 338 651)	31 100 142
Waste water management	2 361 601	347 772	2 709 373	2 272 426	(436 946)	-
Waste management	21 984 907	(4 154 631)	17 830 275	14 460 145	(3 370 130)	13 470 870
Total Expenditure - Standard	**197 522 274**	**3 957 483**	**201 479 757**	**172 668 071**	**(28 811 686)**	**162 285 170**
Surplus/(Deficit) for the year	**33 604 683**	**4 790 630**	**38 395 312**	**69 818 441**	**31 423 128**	**46 918 315**

SENQU LOCAL MUNICIPALITY

APPENDIX F (2) (AUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
REVENUE						
Executive & Council	7 212 000	-	7 212 000	7 212 000	-	7 413 870
Planning & Development	1 879 954	1 236 414	3 116 368	3 062 447	(53 921)	1 929 033
Corporate Services	1 850 230	-	1 850 230	5 555 853	3 705 623	6 009 724
Housing	-	-	-	-	-	29 927
Public Safety	3 088 868	30 000	3 118 868	782 607	(2 336 261)	167 543
Budget & Treasury	95 506 597	1 832 000	97 338 597	99 138 763	1 800 166	109 473 005
Road Transport	16 039 444	4 242 699	20 282 143	24 030 306	3 748 163	22 577 061
Electricity	53 545 952	815 000	54 360 952	56 893 894	2 532 941	37 402 695
Community & Social Services	12 579 080	-	12 579 080	13 782 998	1 203 917	3 560 340
Sport & Recreation	5 338 050	-	5 338 050	2 362 381	(2 975 669)	12 816 133
Waste Management	34 086 781	592 000	34 678 781	29 665 265	(5 013 515)	7 824 154
Total Revenue by Vote	**231 126 957**	**8 748 113**	**239 875 069**	**242 486 512**	**2 611 443**	**209 203 485**

SENQU LOCAL MUNICIPALITY

APPENDIX F (2) (AUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
EXPENDITURE						
Executive & Council	28 092 421	623 170	28 715 591	23 517 673	(5 197 918)	26 042 744
Planning & Development	18 299 457	608 950	18 908 407	14 536 845	(4 371 563)	17 073 709
Corporate Services	23 233 852	1 959 093	25 192 946	22 356 797	(2 836 148)	17 599 159
Housing	-	-	-	-	-	1 402 113
Public Safety	6 833 041	3 340 066	10 173 107	7 405 328	(2 767 779)	56 226
Budget & Treasury	25 791 524	774 998	26 566 522	22 863 456	(3 703 067)	18 675 326
Road Transport	23 968 775	(216 803)	23 751 971	21 378 024	(2 373 947)	28 517 126
Waste Water Management	2 361 601	347 772	2 709 373	2 272 426	(436 946)	-
Electricity	38 300 608	434 972	38 735 580	36 396 930	(2 338 651)	31 100 142
Community & Social Services	7 580 311	268 001	7 848 312	6 444 086	(1 404 225)	7 649 380
Sport & Recreation	1 075 777	(28 104)	1 047 673	1 036 361	(11 311)	698 374
Waste Management	21 984 907	(4 154 631)	17 830 275	14 460 145	(3 370 130)	13 470 870
Total Expenditure by Vote	**197 522 274**	**3 957 483**	**201 479 757**	**172 668 071**	**(28 811 686)**	**162 285 170**
Surplus/(Deficit) for the year	**33 604 683**	**4 790 630**	**38 395 312**	**69 818 441**	**31 423 128**	**46 918 315**

SENQU LOCAL MUNICIPALITY

APPENDIX F (3) (AUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

REVENUE AND EXPENDITURE

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
REVENUE BY SOURCE						
Property rates	6 856 119	-	6 856 119	4 654 049	(2 202 071)	4 607 033
Service charges	29 381 115	1 357 000	30 738 115	30 896 123	158 008	29 442 726
Rental of facilities and equipment	312 356	-	312 356	756 417	444 061	645 960
Interest earned - external investments	7 360 000	1 800 000	9 160 000	13 913 370	4 753 370	10 511 716
Interest earned - outstanding debtors	1 141 796	50 000	1 191 796	2 493 926	1 302 130	1 969 792
Fines	272 472	-	272 472	323 933	51 461	818 340
Licences and permits	2 905 064	(750 000)	2 155 064	1 085 309	(1 069 755)	1 303 197
Agency services	1 665 217	150 000	1 815 217	1 080 375	(734 842)	510 104
Transfers recognised - operational	143 637 100	1 229 414	144 866 514	149 152 333	4 285 820	124 357 555
Other revenue	2 196 818	69 000	2 265 818	6 174 896	3 909 079	7 401 032
Total Revenue (excluding capital transfers and contributions)	**195 728 057**	**3 905 414**	**199 633 470**	**210 530 733**	**10 897 262**	**181 567 454**

SENQU LOCAL MUNICIPALITY

APPENDIX F (3) (AUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

REVENUE AND EXPENDITURE

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
EXPENDITURE BY TYPE						
Employee related costs	72 098 603	(3 383 226)	68 715 378	62 172 869	(6 542 509)	53 790 104
Remuneration of councillors	11 728 752	-	11 728 752	11 063 818	(664 934)	10 399 123
Debt impairment	4 610 000	-	4 610 000	4 240 970	(369 030)	4 554 196
Depreciation & asset impairment	19 131 859	255 000	19 386 859	19 517 990	131 130	15 766 740
Finance charges	1 221 014	48 000	1 269 014	2 527 622	1 258 608	2 467 728
Bulk purchases	31 200 000	-	31 200 000	23 771 063	(7 428 937)	20 079 250
Other materials	-	-	-	-	-	-
Contracted services	-	-	-	19 979 983	19 979 983	20 784 003
Transfers and grants	-	-	-	-	-	479 587
Other expenditure	57 532 046	7 037 709	64 569 755	29 103 458	(35 466 297)	33 699 956
Loss on disposal of PPE	-	-	-	290 300	290 300	264 481
Total Expenditure	**197 522 274**	**3 957 483**	**201 479 757**	**172 668 071**	**(28 811 686)**	**162 285 169**
Surplus/(Deficit)	**(1 794 217)**	**(52 069)**	**(1 846 287)**	**37 862 661**	**39 708 948**	**19 282 286**
Transfers recognised - capital	35 398 900	4 842 699	40 241 599	31 955 780	(8 285 819)	27 636 029
Contributions Recognised - Capital	-	-	-	-	-	-
Surplus/(Deficit) for the year	**33 604 683**	**4 790 630**	**38 395 312**	**69 818 441**	**31 423 128**	**46 918 315**

SENQU LOCAL MUNICIPALITY

APPENDIX F (4) (AUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

CAPITAL EXPENDITURE

CAPITAL EXPENDITURE (VOTE)	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
Multi-year expenditure						
Corporate Services	1 200 000	(500 000)	700 000	-	(700 000)	-
Road Transport	13 632 510	(1 430 000)	12 202 510	4 562 525	(7 639 985)	5 569 467
Community and Social Services	4 500 000	-	4 500 000	4 910 712	410 712	-
Sport and Recreation	5 338 050	(400 000)	4 938 050	-	(4 938 050)	-
Electricity	1 000 000	(250 000)	750 000	2 274 286	1 524 286	-
Waste Management	3 200 750	(2 200 000)	1 000 750	501 536	(499 214)	115 777
Total Multi-year expenditure	**28 871 310**	**(4 780 000)**	**24 091 310**	**12 249 059**	**(11 842 251)**	**5 685 244**
Single-year expenditure						
Executive and Council	500 000	-	500 000	212 931	(287 069)	1 695 883
Planning & Development	2 241 100	(100 000)	2 141 100	86 377	(2 054 723)	814 377
Corporate Services	2 100 000	50 000	2 150 000	1 022 145	(1 127 855)	8 810 890
Budget and Treasury Office	1 200 000	235 000	1 435 000	519 426	(915 574)	2 157 529
Road Transport	5 305 330	6 660 800	11 966 130	13 910 150	1 944 020	10 540 779
Housing	50 000	-	50 000	-	(50 000)	305 520
Community and Social Services	11 873 000	4 322 409	16 195 409	7 284 712	(8 910 697)	916 492
Sport and Recreation	1 156 000	1 270 500	2 426 500	1 695 776	(730 724)	11 615 615
Public Safety	1 200 000	(800 000)	400 000	19 982	(380 018)	38 498
Electricity	4 467 000	(600 421)	3 866 579	942 136	(2 924 443)	4 094 075
Waste Management	3 926 160	(2 928 200)	997 960	941 979	(55 981)	400 148
Total Single-year expenditure	**34 018 590**	**8 110 088**	**42 128 678**	**26 635 615**	**(15 493 063)**	**41 389 807**
Total Capital Expenditure by Vote	**62 889 900**	**3 330 088**	**66 219 988**	**38 884 674**	**(27 335 314)**	**47 075 052**

SENQU LOCAL MUNICIPALITY

APPENDIX F (4) (AUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

CAPITAL EXPENDITURE

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration	**5 000 000**	**(215 000)**	**4 785 000**	**1 754 502**	**(3 030 498)**	**12 664 302**
Executive and council	500 000	-	500 000	212 931	(287 069)	1 695 883
Budget and treasury office	1 200 000	235 000	1 435 000	519 426	(915 574)	2 157 529
Corporate services	3 300 000	(450 000)	2 850 000	1 022 145	(1 827 855)	8 810 890
Community and public safety	**24 117 050**	**4 392 909**	**28 509 959**	**13 911 183**	**(14 598 776)**	**12 876 126**
Community and social services	16 373 000	4 322 409	20 695 409	12 195 425	(8 499 984)	916 492
Sport and recreation	6 494 050	870 500	7 364 550	1 695 776	(5 668 774)	11 615 615
Public safety	1 200 000	(800 000)	400 000	19 982	(380 018)	38 498
Housing	50 000	-	50 000	-	(50 000)	305 520
Economic and environmental services	**21 178 940**	**5 130 800**	**26 309 740**	**18 559 052**	**(7 750 688)**	**16 924 623**
Planning and development	2 241 100	(100 000)	2 141 100	86 377	(2 054 723)	814 377
Road transport	18 937 840	5 230 800	24 168 640	18 472 675	(5 695 965)	16 110 246
Trading services	**12 593 910**	**(5 978 621)**	**6 615 289**	**4 659 938**	**(1 955 351)**	**4 610 000**
Electricity	5 467 000	(850 421)	4 616 579	3 216 423	(1 400 156)	4 094 075
Waste management	7 126 910	(5 128 200)	1 998 710	1 443 515	(555 195)	515 925
Total Capital Expenditure - Standard	**62 889 900**	**3 330 088**	**66 219 988**	**38 884 674**	**(27 335 314)**	**47 075 052**

SENQU LOCAL MUNICIPALITY

APPENDIX F (4) (AUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

CAPITAL EXPENDITURE

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
CAPITAL EXPENDITURE (FUNDING SOURCES)						
National Government	35 398 900	4 842 699	40 241 599	31 955 780	(8 285 819)	27 636 029
Transfers recognised - capital	**35 398 900**	**4 842 699**	**40 241 599**	31 955 780	**(8 285 819)**	**27 636 029**
Internally generated funds	27 491 000	(1 512 611)	25 978 389	6 928 895	(19 049 494)	19 439 023
Total Capital Funding	**62 889 900**	**3 330 088**	**66 219 988**	38 884 674	**(27 335 314)**	**47 075 052**

SENQU LOCAL MUNICIPALITY

APPENDIX F (5) (AUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

CASH FLOWS

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	6 444 752	(8 228 579)	(1 783 827)	3 605 127	5 388 954	3 778 194
Service charges	27 618 248	-	27 618 248	25 745 317	(1 872 931)	24 981 990
Other revenue	7 333 185	-	7 333 185	8 102 978	769 793	5 046 480
Government - operating	143 637 100	1 229 414	144 866 514	143 891 778	(974 736)	121 583 680
Government - capital	35 398 900	4 842 699	40 241 599	31 598 900	(8 642 699)	36 856 974
Interest	8 433 288	1 918 508	10 351 796	13 913 370	3 561 575	10 511 716
Payments						
Suppliers and employees	(169 820 118)	(22 651 127)	(192 471 245)	(148 946 857)	43 524 389	(132 114 290)
Finance charges	(1 221 014)	(48 000)	(1 269 014)	(1 116 960)	152 054	(1 249 981)
Transfers and Grants	-	-	-	-	-	(479 587)
NET CASH FROM OPERATING ACTIVITIES	57 824 342	(22 937 086)	34 887 256	76 793 653	41 906 397	68 915 175
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	248 311	248 311	316 074
Payments						
Capital assets	(62 889 900)	(3 330 088)	(66 219 988)	(38 884 674)	27 335 314	(48 089 495)
NET CASH USED IN INVESTING ACTIVITIES	(62 889 900)	(3 330 088)	(66 219 988)	(38 636 364)	27 583 624	(47 773 421)

SENQU LOCAL MUNICIPALITY

APPENDIX F (5) (AUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2016

CASH FLOWS

	ORIGINAL BUDGET 2016 R	BUDGET ADJUSTMENTS 2016 R	FINAL BUDGET 2016 R	ACTUAL OUTCOME 2016 R	BUDGET VARIANCE 2016 R	RESTATED OUTCOME 2015 R
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Increase (decrease) in consumer deposits	44 841	-	44 841	102 728	57 887	120 330
Payments						
Repayment of borrowing	(803 195)	400	(802 795)	(802 388)	407	(792 197)
NET CASH FROM FINANCING ACTIVITIES	(758 353)	400	(757 954)	(699 660)	58 294	(671 866)
NET INCREASE/ (DECREASE) IN CASH HELD	(5 823 912)	(26 266 774)	(32 090 686)	37 457 629	69 548 315	20 469 888
Cash/cash equivalents at the year begin:	128 102 683	55 357 159	183 459 842	183 459 842	(0)	162 989 955
Cash/cash equivalents at the year end:	122 278 771	29 090 385	151 369 156	220 917 469	69 548 313	183 459 842